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examining the drivers, process, and future of military outsourcing

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Contractors and Defence Policy-Making

Examining the Drivers, Process, and Future of Military Outsourcing

by

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Submitted in fulfilment of the requirements for the degree of
Doctor of Philosophy in War Studies

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Supervisors: Dr Christopher Kinsey, Professor John Gearson

Examiners: Professor Trevor Taylor, Professor Matthew Uttley

Abstract

The outsourcing of military responsibilities to private contractors is most comprehensively encapsulated not in armed security contracting, which dominates the literature, but in the supply of the armed forces. Military logistics, broadly conceived, stretches back the furthest in history and involves among the largest manpower and sums of money expended by defence enterprises. Drawing on the United States of America (USA) and the United Kingdom (UK) since the end of the Second World War, this dissertation develops a holistic understanding of why states outsource military capability, the politics and processes which produce the decisions (not) to acquire military services from the market, and the longer-term impact and trajectory of defence services acquisition as a result of the way states use private contractors in their defence enterprises. Most fundamental to understanding why states outsource military capability is an appreciation of the dominant ideas and norms that guide policy-makers and constrain decision-making. In defence these are, in particular, a state's defence strategy and posture, strategic culture, and political economy. These factors strongly determine the type, size, and shape of the armed forces, the weapon systems and services required for their supply, and the sources of these products and services. Together with the formal and informal political structures of the state, these factors also heavily determine who participates in the defence policy process. In the case of the USA and the UK, the general tendencies to espouse global defence postures, draw on private enterprise for the supply of goods and services, and rely on highly sophisticated, hi-tech weaponry in the conduct of war clashed with a lack of resources which were – under these influences – sought to be overcome by relying on private providers. The policy processes are similarly biased towards business ideas, solutions, and providers while exhibiting a remarkable lack of veto-points and veto-players. "More of the same", i.e. the increasingly routineised use of private contractors in the generating of military capability, is therefore the

unsurprising outcome of the past decades which witnessed the growing reliance on private service providers in the defence enterprise. Outsourcing is not only "here to stay", as authors often conclude; the USA and the UK are formally and doctrinally integrating their military and contractor workforces into joint logistics forces that will support and supply their armies for decades to come, and concomitantly transferring knowledge and assets out of the military and into the private sector for the long term. Being improbable from within, change in the USA and the UK would only come about as a result of strategic, economic, or ideational "shocks" to this otherwise very stable ecosystem. Put in more general terms, changes in the fundamental structural forces of defence strategy, economics, and technology, as well as in the formal and informal structures of the policy process are most likely to yield significant change in the way states draw (or do not draw) on private contractors in the running of their defence enterprises.

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Writing a doctoral dissertation is often said to be a lonely experience, and I feared the same when I embarked on this journey four years ago. Glancing over the names that follow shows, however, that this assumption was far off the mark. This project could not have been commenced, conducted, let alone completed without the support from a remarkable range of people. I am grateful to all of them.

First of all, I am deeply indebted to my supervisor Dr Christopher Kinsey. Chris went far over and beyond what any student could reasonably expect from their supervisor. Throughout these four years, even at the moments in time when I did not, Chris believed in me. My academic and professional endeavours of the past four years benefited greatly from, and were often unthinkable without his support and guidance. I look forward to putting many more ideas to paper with Chris in the coming years.

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List of Acronyms

ACDS ..... Assistant Chief of Defence Staff
ACF ..... Advocacy Coalition Framework
ADS ..... Aerospace, Defence, and Security
AFGE ..... American Federation of Government Employees
ASA (ALT) ..... Assistant Secretary of the Army for Acquisition, Logistics, and Technology
AT&L ..... Acquisition, Technology, and Logistics
AVF ..... All-Volunteer Force
BENS ..... Business Executives for National Security
BIS ..... Department of Business, Innovation & Skills
BMATT ..... British Military Advisory & Training Team
BPST ..... British Peace Support Team
C4ISR ..... Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance
CBI ..... Confederation of British Industry
CENTCOM ..... Central Command
CEW ..... Civilian Expeditionary Workforce
CGP ..... Coalition for Government Procurement
CLS ..... Contractor Logistics Support
CONDO ..... Contractors on Deployed Operations
CONLOG ..... Contractor Logistics
CORM ..... Commission on Roles and Missions of the Armed Forces
CREW ..... Citizens for Responsibility and Ethics in Washington
CSIS ..... Center for Strategic and International Studies
CSO ..... Contractor Support to Operations
DARPA ..... Defense Advanced Research Projects Agency
DBB ..... Defense Business Board
DCAA ..... Defense Contract Audit Agency
DCS ..... Direct Commercial Sales
DISAM ..... Defense Institute of Security Assistance Management
DLA ..... Defense Logistics Agency
DOD ..... Department of Defense
DSAC ..... Defence Scientific Advisory Council
DSAPN ..... Defence Services Acquisition Policy Network
DSB ..... Defense Science Board
DSCA ..... Defense Security Cooperation Agency
DSF ..... Defence Suppliers Forum
DSG ..... Defence Support Group
DTSA ..... Defense Technology Security Administration
FFRDC ..... Federally Funded Research and Development Center
FMF ..... Foreign Military Financing
FMS ..... Foreign Military Sales
FOI / FOIA ..... Freedom of Information / Freedom of Information Act
FY ..... Fiscal Year
IA ..... Implementing Agency
IG ..... Inspector General
IMATT ..... International Military Advisory & Training Team

JCL ..... Joint Concept for Logistics
JLEnt ..... Joint Logistics Enterprise
KASOTC ..... King Abdullah II Special Operations Training Center
LOA ..... Letter of Offer and Acceptance
LOGCAP ..... Logistics Civil Augmentation Program
LogOps ..... Logistics Operations
LOR ..... Letter of Request
MINIS ..... Management Information System for Ministers
MOD ..... Ministry of Defence
NDAA ..... National Defense Authorization Act
NDIA ..... National Defense Industrial Association
NGO ..... Non-Governmental Organisation
NMS ..... New Management Strategy
NSS ..... National Security Strategy
OEM ..... Original Equipment Manufacturer
OSD ..... Office of the Secretary of Defense
P&A ..... Price and Availability
PBL ..... Performance-Based Logistics
PJHQ ..... Permanent Joint Headquarters
PM ..... Political-Military Affairs
PMSC ..... Private Military and Security Company
PNT ..... Policy Network Theory
POGO ..... Project on Government Oversight
PPBS ..... Planning-Programming-Budgeting System
PSC ..... Professional Services Council
QDR ..... Quadrennial Defense Review
RIO ..... Restore Iraqi Oil
RMA ..... Revolution in Military Affairs
RML ..... Revolution in Military Logistics
RUSI ..... Royal United Services Institute
SA ..... Security Assistance
SAB ..... Scientific Advisory Board
SC ..... Security Cooperation
SCO ..... Security Cooperation Office/Officer
SDSR ..... Strategic Defence and Security Review
SIGIR ..... Special Inspector General for Iraq Reconstruction
SR ..... Sponsored Reserve
TSF ..... Total Support Force
TTR ..... Tiger Team Report
UAV ..... Unmanned Aerial Vehicle
UCMJ ..... Uniform Code of Military Justice
UK ..... United Kingdom
UKTI ..... United Kingdom Trade & Investment
US / USA ..... United States of America
USACE ..... U.S. Army Corps of Engineers
USD ..... Under Secretary of Defense
USD (AT&L) ..... USD for AT&L
USOCO ..... U.S. Office of Contingency Operations
WFC ..... Whole Force Concept

List of Tables and Figures

Introduction

Western military forces have always relied on the private sector to some extent for basic equipment, life support, and other services. The creation of large, mostly self-sufficient, standing peacetime armies during the Cold War was thus an historical exception rather than the norm as it is often perceived today.[1] The current wave of overseas military services contracting, which began in the mid-1980s, nonetheless differs in that a qualitatively broader range of services is being outsourced to industry, and most importantly that in the course of so doing the public and private sectors are continuously blending their workforces.[2] It was however not until the Iraq War of 2003 that the issue of military services contracting in western militaries began to receive sustained attention from scholars and the media.[3] Despite enjoying much larger breadth and depth, the phenomenon is still predominantly associated with the private security industry as epitomised by the now-defunct company Blackwater, the images of four of its mutilated employees hanging off a bridge in Fallujah, Iraq, in March 2004, and the killing of 17 civilians in Baghdad's Nisour Square in September 2007 by some of its employees.[4]

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[1] Christopher Kinsey (2006), *Corporate Soldiers and International Security: The Rise of Private Military Companies* (London: Routledge), chapter 2.

[2] See chapter VI of this thesis in particular.

[3] A cursory glance at relevant bibliographies will prove this point, as almost all works were published after 2003 when the phenomenon was already at least two decades old. Notable exceptions are David Shearer (1998), *Private Armies and Military Intervention*, Adelphi Paper, Vol. 316 (London: Oxford University Press), and

Robert Mandel (2002), *Armies without States: the Privatization of Security* (Boulder, CO: Lynne Rienner Publishers), the first academic account of privatising security.

P.W. Singer's dissertation that became a bestseller after publication in 2003 was also completed before the war on terror, in 2001. Cf. P.W. Singer (2008), *Corporate Warriors: the Rise of the Privatized Military Industry*, upd edn, first publ. in 2003 (Ithaca, NY; London: Cornell University Press), and P.W. Singer (2001-2002), "Corporate Warriors: the Rise of the Privatized Military Industry and Its Ramifications for International Security," in *International Security*, Vol. 26, No. 3, pp. 186–220.

[4] See in particular Jeremy Scahill (2007), *Blackwater: the Rise of the World's Most Powerful Mercenary Army* (New York: Nation Books), an international bestseller.

Unsurprisingly, therefore, the majority of works address armed security contractors in international security,[5] their roles in contemporary wars,[6] the impact of contracting on the control of force, civil-military relations, and state authority,[7] and the regulation of armed contractors.[8] In recent years, research branched out to include normative,[9] sociological, postcolonial, and gender analyses of private security contracting.[10] While focusing almost exclusively on armed contracting,[11] paying it an

[5] Rita Abrahamsen and Michael C. Williams (2011), *Security beyond the State: Private Security in International Politics* (Cambridge: Cambridge University Press), and
Kinsey, *Corporate Soldiers*.

[6] Christopher Kinsey (2009), *Private Contractors and the Reconstruction of Iraq: Transforming Military Logistics* (London; New York: Routledge),
David Isenberg (2009), *Shadow Force: Private Security Contractors in Iraq* (Westport, CT: Praeger Security International), and
Robert Young Pelton (2007), *Licensed to Kill: Hired Guns in the War on Terror* (New York: Three Rivers Press).

[7] Anna Leander (2006), *Eroding State Authority? Private Military Companies and the Legitimate Use of Force* (Soveria Mannelli [Catanzaro]: Rubbettino),
Elke Krahmann (2010), *States, Citizens and the Privatization of Security* (Cambridge: Cambridge University Press),
Meghan O'Keefe (2011), "Civil-Private Military Relations: The Impacts of Military Outsourcing on State Capacity and the Control of Force", Paper presented at the annual meeting of the International Studies Association, Le Centre Sheraton Montreal Hotel, Montréal, Québec, 16 March 2011, accessed 21 November 2013, available at http://www.allacademic.com/meta/p500011_index.html,
Thomas C. Bruneau (2011), *Patriots for Profit: Contractors and the Military in U.S. National Security* (Stanford, CA: Stanford University Press),
Molly Dunigan (2011), *Victory for Hire: Private Security Companies' Impact on Military Effectiveness* (Stanford, CA: Stanford University Press), and
Deborah D. Avant (2005), *The Market for Force: the Consequences of Privatizing Security* (Cambridge: Cambridge University Press).

[8] See e.g. Simon Chesterman and Chia Lehnardt (2007), *From Mercenaries to Market: the Rise and Regulation of Private Military Companies* (Oxford: Oxford University Press),
Andrea Schneiker (2010), "How to Avoid State Regulation? The Power of Private Military and Security Companies", Paper presented at the annual meeting of the Theory vs. Policy? Connecting Scholars and Practitioners, New Orleans Hilton Riverside Hotel, The Loews New Orleans Hotel, New Orleans, LA, 17 February 2010, and the volume by Alexandra et al.

[9] See e.g. Laura A. Dickinson (2011), *Outsourcing War and Peace: Preserving Public Values in a World of Privatized Foreign Affairs* (New Haven, CT: Yale University Press),
Mervyn Frost (2008), "Regulating Anarchy: the Ethics of PMCs in Global Civil Society," in *Private Military and Security Companies: Ethics, Policies and Civil-Military Relations*, eds Andrew Alexandra, Deane-Peter Baker and Marina Caparini (London: Routledge), pp. 43–55,
and Mervyn Frost and Christopher Kinsey (2012), "Ethical Accounting for the Conduct of Private Military and Security Companies," in *Human Rights and International Legal Discourse*, Vol. 6, No. 1, pp. 92–108.

[10] Andrew Alexandra, Deane-Peter Baker and Marina Caparini, eds (2008), *Private Military and Security Companies: Ethics, Policies and Civil-Military Relations* (London: Routledge),
Kateri Carmola (2010), *Private Security Contractors and New Wars: Risk, Law, and Ethics*, Contemporary security studies (London: Routledge),
Paul Higate (2012), "'Cowboys and Professionals': the Politics of Identity Work in the Private and Military Security Company," in *Millennium - Journal of International Studies*, Vol. 40, No. 2, pp. 321–341,

undue degree of attention as I argue below, the literature has remained remarkably silent about the political underpinning of military outsourcing, the role of contractors in the defence political process, and the long-term defence political ramifications of contracting. This thesis sets out to rectify these limitations by broadening the scope beyond private military and security companies (PMSCs) and security contracting, and by addressing this oversight of the academic literature.

Research Questions

The present study develops a holistic understanding of overseas military services contracting in the defence policy process. To reach this objective, it is necessary to establish the drivers, the politics and process, and the policy-relevant effects of military outsourcing. Importantly, it is necessary to establish the relationship between these factors, and how they reciprocally affect one another over time. Under the overarching research interest in the role, relevance, and impact of military services contracting on the defence policy process, the research questions thus ask, respectively:

1) Why do states contract for military capability overseas, i.e. what are the drivers of military services contracting?

2) How does outsourcing figure in politics and political decision-making, and how is it conducted on the ground? That is, what role do contractors and contracting play in the policy process?

Amanda Chisholm (2013), "The Silenced and Indispensible: Gurkhas in Private Military Security Companies," in *International Feminist Journal of Politics*, pp. 1–22,

Saskia Stachowitsch (2013), "Military Privatization and the Remasculinization of the State: Making the Link Between the Outsourcing of Military Security and Gendered State Transformations," in *International Relations*, Vol. 27, No. 1, pp. 74–94,

Alison Hawks, doctoral dissertation on the civilian-to-military transition of soldiers and contractors, at King's College London, forthcoming, and

Andreas Krieg, doctoral dissertation on the ethics of outsourcing security in low-interest conflicts, at King's College London, forthcoming.

[11] Partial exceptions are Christopher Kinsey and Malcolm Hugh Patterson, eds (2012), *Contractors and War: the Transformation of US Expeditionary Operations* (Stanford, CA: Stanford University Press), and Kinsey, *Private Contractors and Iraq*.

3) How does contracting affect the broader defence enterprise and policy process in the long term? That is, how does it affect the future of defence policy, and what is its own future? Why are we witnessing the entrenchment of contractorisation rather than its reduction?

In addressing these questions, the study covers the entire timeline of the policy process from its context via decision-making to implementation and feedback effects and accounts for both the structure and agency of contractorisation in the defence policy process. As the following review demonstrates, the relevant academic literature yields insights into some of these questions while displaying limitations towards others.

Critical Literature Review

The following literature review is tailored to the research interest of this study. It therefore does not survey the entire literature on PMSCs but bypasses several subsets such as the expansive literature on the regulation and legal status of PMSCs and their employees. Moreover, no comparable studies or sizeable debate exist about the second and third research questions. The following thus targets the literature's key analytics and assumptions that can inform this study and enable us to generate the hypotheses and argument of this dissertation.

History and Drivers of Military Services Contracting

Like the literature on military contracting more generally, analyses of the drivers of military outsourcing focus on security services. Singer identifies two broad developments that aided the emergence of the industry – the transformation of warfare, and the "privatization revolution" that strengthened and eventually established pro-privatisation logics, narratives, and practices in the public domain.[12]

[12] Singer, *Corporate Warriors*, p. 49.

The central assumption for the shift "from make to buy", according to defence economist Hartley, is that contractors display "high-powered efficiency incentives" that public actors supposedly lack.[13] Singer, Avant, and Krahmann agree that, furthermore, worldwide cuts in defence budgets and armed forces released a highly skilled workforce to a global security market. That market eventually grew because conflict levels after the Cold War did not recede as hoped but increased, which neither states nor multilateral or international organisations successfully tackled.[14]

Krahmann is not content with these functional arguments because they do not explain the variation in contracting practices among similar states such as the United States of America (USA), the United Kingdom (UK), and Germany. She argues convincingly that ideology, mostly regarding political economic organisation and civil-military relations, is a relevant intervening variable that explains both the propensity for and the scope of military outsourcing.[15] Petersohn argues similarly for going beyond mere path dependency and functionalist concerns. He suggests that the occurrence and degree of outsourcing are more comprehensively explained by a sociological-institutionalist understanding that accounts for the power of norms and ideas, namely the growing preference for a civilian-heavy force mix as opposed to the previous uniformed-heavy preference.[16] Abrahamsen and Williams also concur and point out that the success of these narratives and ideas are representative of processes of "technologisation" and specialisation, such as militaries turning into core-competency forces.[17]

Kinsey's work expands the analysis on several counts. On the one hand, his examination of the UK security services industry is more aware of its roots in the

[13] Keith Hartley (2011), *The Economics of Defence Policy: a New Perspective* (London: Routledge), pp. 233–235.
[14] Avant, *Market for Force*, pp. 34–38, Krahmann, *States, Citizens*, pp. 9–11, and Singer, *Corporate Warriors*, pp. 49–60.
[15] Krahmann, *States, Citizens*, pp. 9–11.
[16] Ulrich Petersohn (2011), "Military Privatisation: Changing the Military-Civil Force Mix," in *European Political Science*, Vol. 10, No. 2, pp. 146–156
[17] Abrahamsen and Williams, *Security beyond the State*, pp. 5–6.

mercenarism of the 1960s, and more generally of the long history of public-private cooperation in the supply of armed force.[18] He thereby highlights that the contemporary wave of governments' reliance on private service providers extends back beyond the "neoliberal revolution" of the 1980s, even regarding the use of contractors overseas. Moreover, his work is particularly sensitive to the importance of differentiating the services that the private sector provides to the armed forces,[19] and does not falsely assume – like most of the literature at least implicitly suggests – that the phenomenon of military services contracting can be grasped by focusing on private security providers. Even though Singer's typology – which identifies three types of companies rather than services – and book are aware of the logistics industry and its importance,[20] his argument and in particular the problems he identifies are predominantly drawn from the examination of military combat services, a short-lived phenomenon of the 1990s.[21] Krahmann employs the term private military companies "rather than referring to particular types of companies or services" because her aim is to highlight that they are replacing uniformed personnel and form an integral part of civil-military relations.[22] While in principle this is admissible given her research interest, it is nonetheless problematic because not all types of contracts can be assumed to have the same impact, role, or importance for military missions, civil-military relations, and policy-making.[23]

[18] Kinsey, *Corporate Soldiers*, pp. 50-54, 64-65, and 98–109.

[19] Kinsey provides a two-dimensional typology that focuses on a provided service rather than the type of company, which is more helpful than Singer's as many companies provide services across the spectrum. See ibid, pp. 9–10.

[20] His "tip-of-the-spear" typology separates logistics, training and consulting, and combat services. See Singer, *Corporate Warriors*, pp. 91–92.

[21] Ibid, pp. 97-100 and 151-229. This is despite Singer citing the famous quote that professionals talk about logistics rather than strategy, which is the domain of amateurs; Ibid, p. 247.

[22] Krahmann, *States, Citizens*, p. 8.

[23] A direct result of such undue generalisation is misconstrued impacts of outsourcing for instance on civil-military relations, where it is argued, that the uniformed personnel are losing their distinctive character. As "their" tasks are now also provided by private contractors, their expertise is no longer seen as "specialist". See e.g. Leander, *Eroding State Authority*, p. 109.

However, militaries undergoing limited contractorisation are in fact supposed to concentrate on combat, i.e. on tasks which are exclusively performed by them (since they are

Taylor's brief examination of the drivers of support services contracting offers several hypotheses. Being exploratory they require further empirical consideration, but as a whole his perspective is compelling, and the factors he identifies can serve as explanatory variables for the variation among cases. First, he lists the place of the private sector in the delivery of public services more broadly. This relies much on the belief in the benefits of competition and in private sector efficiency more generally.[24] Secondly, the reinterpretation of organisations in terms of core competency drives military services contracting.[25] Thirdly, Taylor argues that different defence postures affect the propensity to outsource military support services provision. In the Cold War Western states focused on fielding systems without planning for their long-term deployment away from home bases. The increased importance of sustainability in overseas theatres of operation however exposed the lack of capability within the armed services of the USA and the UK to maintain aircraft and other systems.[26] Taylor is thus possibly the only author who not only identifies the relevance of posture but also does not take it as a constant given. Fourth, Taylor also points out how the rate of technological change heavily influences the propensity to outsource support capabilities. For equipment to translate into military capability, it requires (among others) training, infrastructure, and support. Not only the sophistication of new systems, but also the rapid rate at which they are introduced into the armed forces, make it increasingly likely that the armed forces will have to contract for support for training in the use of the systems, maintenance

not outsourced to the private sector). Thus, whereas uniformed personnel in the past also fulfilled technical and other support functions mirroring much work which was also conducted in the civilian sphere, the gap between professional soldiers and society should in fact be growing. What is in fact being 'normalised' or 'civilianised' is the participation in short-of-combat activities which are quite possibly mission-critical.

[24] Trevor Taylor (2004), "Contractors on Deployed Operations and Equipment Support," in *Defence Studies*, Vol. 4, No. 2, pp. 184–198, at pp. 185–186.

[25] Ibid, pp. 186–190.

[26] Ibid, pp. 190–191.

services, and the related infrastructure.[27] As chapter VI shows, the decreasing size of the armed forces further propels these dynamics. Finally, Taylor argues that short and sudden operations are less likely to contain a sizeable contractor contingent.[28] Again, the ongoing integration of public and private workforces especially in the support area may challenge this hypothesis. It remains plausible, however, that large, possibly protracted lower-interest operations will see more capability outsourced, while short, existential confrontations would dampen the overall share of the contractor contingent in the total deployed force.

Arguing along political-theoretical lines like Krahmann rather than empirical ones as most authors above, Cusumano in his dissertation argues that a neoclassical realist explanation focusing on resource extraction and societal labour mobilisation is the most convincing international-theoretical explanation for military services contracting.[29] His thesis, however, like virtually all authors merely acknowledges three central factors in passing that I argue are fundamental for the ecosystem of military services contracting: first, strategic posture and commitments, and the requirements they create; secondly, the longer-term defence economic and defence-industrial policies that heavily affect how these supplies are provided, including particularly the role of industry; and thirdly how the implementation of defence policy with contractors affects both posture and supply.

Summarising, tweaking, and synthesising the above is Kruck's powerful "synthetic theory" of military outsourcing.[30] His parsimonious theory of the drivers of military outsourcing examines drivers that are specific to military domains and differ

[27] Ibid, pp. 191–193.
[28] Ibid, pp. 193–195.
[29] Eugenio Cusumano (2012), *Power under Contract: Domestic Political Constraints and Military Privatization in the United States and the United Kingdom,* PhD Dissertation at the European University Institute, accessed 22 November 2013, available at http://cadmus.eui.eu/handle/1814/22690 (abstract).
[30] Andreas Kruck (2013), "Theorising the Use of Private Military and Security Companies: a Synthetic Perspective," in *Journal of International Relations and Development*, Vol. 17, No. 1, pp. 112–141.
At the time of its publication, the paper confirmed the research and the approach that this author had conducted and applied until that time, and added further valuable insights.

in their degree of general validity, and then synthesises them into "thin" explanatory variables. He also applies sequencing which examines the interplay of these drivers and factors over time. The key take-away is that ideas explain broader trends across nations – in line with Krahmann's book – while calculations of political cost (risk transfer away from uniformed to private sector personnel) are more nation-specific, and technical or resource dependencies best explain the occurrence or absence of outsourcing of specific capabilities. Importantly, through sequencing he shows how military services contracting becomes "norm-alised", incrementally accepted as an acceptable or even a standard practice.[31] Like the other studies, however, he also takes the strategic context and its ramifications as constant givens rather than assigning them the same fluid, contested, and changeable characteristics that he assigns the other variables.

Thus, to identify the drivers of military outsourcing, this study examines a range of strategic, ideational, political-economic, and technological factors.

Politics and Processes of Contracting

While the factors above can be viewed as at least partly external to the political process, there remains the decision to be taken about whether and how to outsource capability both for a first time and then later as an increasingly standardised, default practice. Long-time industry observer and author David Isenberg rightly criticises that laws and debates on military outsourcing focus on the use and activity of contractors but neglect those preceding decisions.[32] The literature on these issues is thus much thinner than that on either the drivers or the effects and future of contractorisation. It is conjecture to argue why that is the case; possibly they fall in the cracks between classical examinations of the military-industrial complex on

[31] Ibid, pp. 21–25.
[32] David Isenberg (2011), "When to Contract, Not How to Contract: that is the Question," in *Huffington Post* (28 December 2011), accessed 2 March 2012, available at http://www.huffingtonpost.com/david-isenberg/when-to-contract-not-how-_b_1172981.html.

the one hand and the more classical fields of interest group politics and the policy process on the other. While the former focuses heavily on production rather than services as well as on the domestic level, the latter typically does not study the defence policy process. This thesis offers solutions to both shortcomings by providing an interdisciplinary approach to studying overseas outsourcing within the defence policy process.

The literature agrees that military services contracting is no longer a partisan phenomenon. Its invigoration in the 1980s and some of its more problematic side-effects are associated with conservative governments in the USA and the UK. The practice of outsourcing, which Stanger calls "laissez-faire contracting" is closely associated with the Republican administration of President Bush, Jr.[33] However, the view that government is a problem and concomitantly the transfer of ever more responsibilities to the market are no longer only associated with the political right. The politics behind reducing the number of government employees has become a bipartisan endeavour, with government spending no longer being viewed as the prime indicator of the size of government.[34] It was centre-left governments in the late 1990s and early 2000s that dramatically accelerated and widened its scope.[35] Outsourcing, then, is part and parcel of a policy process that desires a larger role for and stronger presence of non-state interests (both for-profit and not-for-profit). What will be interesting to see is which of these non-state actors are best able to realise their core beliefs and interests.

The academic literature therefore, while providing insights into some structural aspects of the relationship between contractorisation and the policy

[33] Allison Stanger (2009), *One Nation under Contract: the Outsourcing of American Power and the Future of Foreign Policy* (New Haven, CT; London: Yale University Press), p. 163.
[34] Ibid, pp. 12–13.
[35] See ibid, p. 163.
In Germany, outsourcing actually only began under a centre-left government as the state – under a conservative administration – chose not to follow the example of its Anglo-Saxon allies; See Krahmann, *States, Citizens*, pp. 158–177.

process, offers virtually no detailed examination of how the *political* decisions to pursue contracting came about, how individual contracts operate scandal-free on a daily basis (i.e. the majority), who is involved in the political decision-making process about the acquisition of military services, or how this affects the politics and policy process in the long term. Kinsey's examination of contractor services in Iraq is a partial exception in so far as he first traces the operation of a series of contracts and then finds that contractors "are now part of the decision-making process as to whether an operation should go ahead"[36] due to their role as key enablers of military force. Other authors highlight the potential risks to state sovereignty due to the ever-shrinking "core" of inherently governmental functions, as well as the unclear divisions between advising and deciding.[37] Verkuil highlights the problem of ownership in the decision-making process: when a policy-maker signs off on a recommendation made by a consultant – whose decision was it?[38] Berndtsson's case study on PMSCs' role in defining security, their self-image, and their effects on the public-private divide also makes an important contribution in this context.[39] Mohlin's study, finally, examines the strategic use of contractors based on the two probably most detailed examinations of training contracts in the Balkans and Liberia. He however deliberately excludes the fluid politics of these contracts to focus on the strategic use of security contractors and produce several important findings about the strategic rationale for and benefits of employing contractors in overseas theatres of

[36] Kinsey, *Private Contractors and Iraq*, p. 104.
[37] Paul R. Verkuil (2007), *Outsourcing Sovereignty: Why Privatization of Government Functions Threatens Democracy and What We Can Do about It* (Cambridge: Cambridge University Press), pp. 3-4 and 109-11.
[38] Ibid, p. 44.
[39] Joakim Berndtsson (2012), "Security Professionals for Hire: Exploring the Many Faces of Private Security Expertise," in *Millennium - Journal of International Studies*, Vol. 40, No. 2, pp. 303–320.

operation.[40] All these analyses thus occur on the macro-level, leaving the micro-level to be assessed by others.

Overall, Abrahamsen and Williams are right to criticise that even though contractors may be able to considerably affect political agendas, decision-making, and the distribution of knowledge and competences, there is a severe, alarming dearth of empirical examinations of security privatisation. As a result, the field has been vulnerable to speculative over-generalisation due to *a priori* reasoning at the expense of "sustained empirical research and theoretical reflection".[41] Charles Smith's first-hand story, published a year later, is a rare example that does go to the core as well as the political context of one of the most-mentioned and costly yet least-understood contracts, the U.S. Army's Logistics Civil Augmentation Program (LOGCAP).[42]

This thesis thus confronts two blind spots; first, the literature does not address the decision-making processes and the politics that led and continue to lead to outsourcing. Secondly, the literature does not offer in-depth examinations of the policy processes that produce contracts and the problems associated with them, the relationships that are involved, and the effects they may have on higher political deliberations and the longer-term future of military outsourcing.

[40] Among these rationales are contractors' low salience, securing influence in new regions, paving the way to a regular presence in a new region, and providing capability the government lacks.

See Marcus Mohlin (2012), *The Strategic Use of Military Contractors: American Commercial Military Service Providers in Bosnia and Liberia 1995-2009*, Strategian tutkimuksia. Julkaisusarja 1 Strategic research. Series 1, Vol. no. 30 (Helsinki: Maanpuolustuskorkeakoulu, Strategian laitos), p. 226.

[41] Abrahamsen and Williams, *Security beyond the State*, pp. 5–6. Their study tackled these shortcomings by examining domestic security services, mostly in Africa.

[42] See Charles M. Smith (2012), *War for Profit: Army Contracting vs. Supporting the Troops* (New York: Algora Publishing).

Long-Term (Policy) Effects of Military Services Contracting

The examinations on the long-term effects of military services contracting again mostly neglect the policy process.[43] Avant published the seminal study on the ramifications of the privatisation on political, functional, and social control of force.[44] She measures the effects on capabilities, financing and deploying force, and the values dominating the decision-making process.[45] Kinsey assumes that contractors will most dramatically affect military force structure in the logistics sphere,[46] and is proven right by the ongoing formal integration of contractors into military force structure especially in the UK, discussed in chapter VI, which should also lead to the inclusion of contractors into strategy and doctrine as called for by Bruneau.[47]

Anna Leander went one step further than Avant, suggesting that military authority shifts towards private contractors simply because of their presence and participation. She argues that private military companies domestically increase their direct control over defence matters, indirectly reshape public authorities through lobbying and being hired, and weaken public actors in a zero-sum manner.[48] She also argues that companies hold significant power not only to define security and threats – which is undisputed given the prominence of think tanks and business representatives in advising government – but also to set security policy agendas,[49] which are rather large complexes to "set", more so in a concerted manner. Unfortunately, these theoretically well-developed hypotheses are not sustained by in-depth empirical data. The evidence provided, such as contractors writing doctrine for

[43] They rather focus on civil-military relations, military effectiveness, and the control of force. Cf. Avant, *Market for Force* and Bruneau, *Patriots for Profit*.
[44] Avant, *Market for Force*, p. 43.
[45] In strong states, outsourcing should lead to some functional loss, while politically the state machinery – especially the legislature – may be circumvented, leading to a centralisation of power and less transparency, oversight, and accountability. Ibid, pp. 57–60.
[46] Kinsey, *Private Contractors and Iraq*, pp. 69–70.
[47] Bruneau, *Patriots for Profit*, pp. 152–155.
[48] Leander, *Eroding State Authority*, pp. 97–109.
[49] Anna Leander (2005), "The Power to Construct International Security: on the Significance of Private Military Companies," in *Millennium - Journal of International Studies*, Vol. 33, No. 3, pp. 803–825. See also O'Keefe, "Civil-Private Military Relations", pp. 19–24.

the U.S. military on how to use contractors on the battlefield, is certainly valid but ultimately anecdotal rather than conclusive. To make such broad claims about the big picture of defence policy-making and the discourses and practices shaping it, it is necessary to go beyond individual instances and establish and trace such processes comprehensively within their context and structure, which this study accomplishes.

Singer, while sharing some of the concerns above and discussing possible effects of contracting on balances of power, alliances, and international cooperation,[50] also notes the potential problem of dependency on a contract source, or at least the possible difficulties of replacing a company. Moreover, the different motivations of government and contractors – security and profit, respectively – can in certain situations be seriously at odds and exacerbated if the profit motive undermines the military profession and practices more generally.[51] Smith provides detailed evidence in his books and an interview with this author regarding these issues that is discussed in chapter VI.

The importance of sequencing the analysis should be recalled here. The iterative character of military outsourcing requires scholars to reassess drivers at different points in time and regarding different military capabilities. The incremental, systematic, and formalised outsourcing of support services in the 1980s and 1990s, from this perspective, then set the scene for and possibly enabled the much broader contracting out of responsibilities up to the battlefield and much closer to the "core" of military responsibilities. Sequencing enables us to examine two developments of central interest to this study: first, the creation and evolution of incentives to outsource rather than maintain capabilities and capacities in-house, and secondly the conditions under which the trajectory, which so far pointed towards consolidating

[50] Singer, *Corporate Warriors*, pp. 174–190.
[51] Ibid, pp. 151 and 204-205.

and further expanding outsourcing, may change course.[52] Examining the policy process through its cycles therefore highlights how through reiteration the context, scope, ramifications, and likely future of military services contracting evolve.

Stanger indicates how some of these factors may be interrelated in the USA. Since extensive government contracting (beyond defence) endures, she points out that the status quo benefits the very same people who would have to overturn it. "Wartime contracting is big business, and business has deep pockets that appeal to any elected official" and "has lobbies that keep their interests squarely in decision makers' minds. ... Changing the status quo will mean stepping on the toes of some very powerful and wealthy interests, always a significant impediment to meaningful change."[53] The UK government's push for outsourcing, most importantly pressure on the implementing levels of the Ministry of Defence (MOD) to act like and self-identify as market players, led to bureaucratic and organisational changes[54] which this study shows further institutionalise contracting as standard practice well into the future.

Laura Dickinson offers a compelling examination of some of the ramifications of overseas military outsourcing for "public law values".[55] She identifies the US legislature's severe lack of awareness of or input into defence services contracts, including highly value-relevant ones such as the training of foreign forces, as a key obstacle to public participation and oversight.[56] Another key problem is that Freedom of Information (FOI) legislation does not apply to contractors.[57]

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[52] For a critique of the incentives to outsource in the higher ranks of the U.S. Department of Defense (DOD) see J. Michael Brower (1997), "Outland: the Vogue of DOD Outsourcing and Privatization," in *Acquisition Review Quarterly*, pp. 383–392.
[53] Allison Stanger (2012), "Contractors' Wars and the Commission on Wartime Contracting," in *Contractors and War: the Transformation of US Expeditionary Operations*, eds Christopher Kinsey and Malcolm Hugh Patterson (Stanford, CA: Stanford University Press), pp. 184–204, at p. 200.
[54] Matthew Uttley (2005), *Contractors on Deployed Military Operations: United Kingdom Policy and Doctrine* (Carlisle, PA: Strategic Studies Institute, U.S. Army War College), pp. 31–37.
[55] These are fundamental respect for human dignity, public participation in decision-making, and transparency and anti-corruption. Dickinson, *Outsourcing War and Peace*, pp. 8–9.
[56] Ibid.
[57] Ibid, pp. 107, 110

Finally, several authors identify a real or potential militarisation of foreign policy in relation to outsourcing. This relationship can go both ways and is possibly reciprocal: a militarised foreign policy may be more likely to draw on contractors, while the availability of contractors may increase the propensity for militarised, possibly risky foreign policies.[58] This concern is appraised in chapters V and VI.

In summary, the literature cautions against a loss of state control over defence-related matters from agenda-setting to the control of military assets and force, and a potential clash of state and contractor interests. It warns of a militarised foreign policy, and a potential de-politicisation and technologisation of defence. It also suggests that contracting is here to stay both because of technological dependency and the high hurdles and likely opposition faced by anybody wishing to change the status quo. This is not a conspiracy or a "fault" of business, but inbuilt into the wider defence system. What remains wanting is a comprehensive analysis of whether and why the future is likely to see more military outsourcing that is cognisant of and linked to the drivers, politics, process, and impact of military services contracting.

Contribution to the Literature

This thesis addresses and capitalises on several of the findings and blind spots identified above and thereby makes contributions to several sets of the literature.

First, the thesis contributes a conceptual approach that enables theorising the defence policy process, locating the private sector therein, and opening the long-separated domain to debates with the wider field of policy studies. The literature –

[58] See Stanger, *One Nation under Contract*, p. 83. Anna Leander (2007), "Portraits in Practice: The Private Security Business and the Reconfiguration of International Politics", Paper presented at the 6th Pan-European Conference of the SGIR, Torino, 12-15 September 2007, pp. 12–15, argues that states and business support and re-shape each other, empowering those who use the revolving door between government and industry and those who share businesses' understanding of security more generally.
See also Avant, *Market for Force*, p. 60 and Singer, *Corporate Warriors*, pp. 212–213.

not only on military contracting but also on defence policy-making – has not yet examined (the politics of) contracting and outsourcing within the defence policy process. It therefore offers neither a theoretical approach nor a related debate on either issue. This study fills this gap by outlining a theoretical approach that builds on established theories of the policy process that have not yet been applied in the realm of defence policy. In so doing, it also opens up the field to interdisciplinary cross-fertilisation with the political science literature on the policy process, thereby challenging the separation of foreign and defence policy studies from virtually all other domains of domestic policy.

Secondly, the thesis rectifies the literature's insufficient differentiation between outsourced services and appreciation for their policy relevance, as well as its undue focus on PMSCs at the expense of strategically more relevant and representative services. Following a domain-of-application approach, it devotes most attention to support services and foreign military assistance. These services are delivered overseas, represent the largest share of outsourced military services in terms of manpower and cost, are of prime strategic importance, and governments depend on them. They are therefore of superior value for this study's purpose of identifying the drivers, process, and future of military outsourcing. First, as Kinsey hypothesises and chapter VI confirms, logistics contractors will have the most substantial impact on military force structure.[59] Secondly, even an ideal-typical core competency military will retain those capabilities that involve the use of force. Therefore, there cannot be a relationship of dependency between the government and industry regarding security services knowhow while this is certainly the case regarding various logistics and other support services. It is thus a much more promising avenue towards reaching an understanding of the politics and long-term

[59] Kinsey, *Private Contractors and Iraq*, pp. 69–70.

relevance of military services contracting to focus on those domains in which the US and UK governments by now *have to* draw on contractors rather than *choose* to do so for instance because of political expediency. Both governments – even if they wanted to –[60] could not get rid of companies such as KBR, DynCorp, or Lockheed Martin unless they chose to discontinue operating a defence policy. Political will prevailing, however, they could do without security contractors immediately. This study therefore examines services for which governments depend on the knowhow of industry for the long term and that are thus most likely to be relevant to this investigation that seeks to understand the longer-term, big picture of day-to-day military outsourcing. Finally, by focusing on services delivered overseas, it contributes a new facet to the literature on defence economics and the politics of the domestic defence services industrial base.

Thirdly, this study ends the PMSC-literature's bypassing of the politics of military services contracting, and in how far outsourcing is woven into and affecting the structure, agency, and future of the defence policy process. It represents the first comprehensive study that addresses, most succinctly, the questions of who decides when, where, and why about generating and using military capability for foreign and defence political objectives. It thereby goes beyond the overly general statements that are typically based on extreme cases by examining the regular workings of contractorisation. In so doing, it explains the foundations of the mostly macro-level assumptions noted above that focus on high-political international security decisions but do not make clear the links between contract implementation and these high-level decisions. This study examines the implementing level in depth and can thereby better estimate the "trickle-up" effects and the systemic role of industry in sustaining

[60] Authors agree that outsourcing is not inevitable but a consequence of how states choose to organise their armed forces under various social, political, economic, and technological influences. Cf. Ibid.

the defence enterprise that has aided the emergence of contractors in the first place. These analyses contribute to the debate about what other authors call the US political system's "bias towards business" or, more generally capitalist societies, the "structural power of business".[61]

Fourth, the study expands our knowledge of both the drivers of military services contracting and their wider context by strengthening our understanding of the links between strategy, military posture and requirements, and the defence economic and industrial policies and systems that deliver these requirements. It thereby challenges the literature's static understanding of military posture, arguing that it belongs to the fundamental drivers of military services contracting, and shows that the high-tech demands of some militaries are not without alternative. In essence, it adds a strategic component and one based on the location of knowledge, meaning that much of outsourcing is about acquiring knowhow, technologies, and intellectual property for the pursuit of higher strategic objectives within a wider ideational context. Crucially, rather than proposing one-directional causalities, this study identifies and traces iterative, reciprocal, and circular dynamics between the drivers, politics, process, ramifications, and future of military outsourcing.

Finally, the study also contributes to the debate about the militarisation of foreign policy. Stanger approximates the point when she mentions the "wildly ambitious agenda" of the administration of President George W. Bush and how it interacted with the ideological belief in small government to result in laissez-faire contracting.[62] The fundamentally changeable rather than static nature of both specific

[61] Cf. Jason Webb Yackee and Susan Webb Yackee (2006), "A Bias towards Business? Assessing Interest Group Influence on the U.S. Bureaucracy," in *The Journal of Politics*, Vol. 68, No. 1, pp. 128–139, and Stephen Bell (2012), "The Power of Ideas: the Ideational Shaping of the Structural Power of Business," in *International Studies Quarterly*, Vol. 56, No. 4, pp. 661–673.
[62] Stanger, *One Nation under Contract*, p. 163.

foreign policy agendas as well as military postures more generally however is not discussed either there or in the rest of the relevant literature. This study's examination of both the links and the causality between strategy, posture, and outsourcing therefore not only improves our understanding of the drivers of military services contracting, but also of the relevance of contracting within militarised foreign policies.

In summary, drawing on political, strategic, economic, technological, and ideational considerations, this study makes both a holistic contribution to the full trajectory of military outsourcing, as well as contributions to key specific aspects of the process. It thus improves our understanding of both the domestic and international determinants of foreign and defence policy by mapping the links between grand strategy, ideas, and defence economics, technology, and politics.

Relevance Beyond Academia

As the review above pointed out, military services contracting elicits a range of questions, reactions, and concerns that are of relevance beyond academia. This thesis will contribute to answering and better understanding several of them.

Perhaps most importantly, the thesis underscores that outsourcing is as much a consequence of a wide variety of factors as it is a cause of change and reason for concern. In highlighting the many structural drivers of contractorisation that trace their origins back many decades, it sensitises us to the fact that any attempt at grappling with outsourcing must take these bigger pictures into account as well as the very wide variety of domains that have experienced contractorisation. Wider societal and political debates about military outsourcing should thus not base their approach to the military services industry merely on observations of armed contractors in Iraq

(for instance). By raising our awareness of the fact that contracting is to a large extent a result of deeper processes, it should become clear that the most promising approaches to informing and affecting contracting policy and practice should also, if not primarily, address those deeper strategic, economic, and other factors. In other words, those with an interest in the larger questions of the state-industry relationship and the determinants of manpower, force structure, and acquisition policy, can only succeed if they are cognisant of the multi-layered causal relationships that undergird them in order to best be able to comprehensively and successfully address them. The consequence will not only be a better-informed debate but one that is more likely to achieve results by orienting attention to the truly effective factors, and possibly by making the objectives more realistic in the face of the sheer scope, complexity, and linkages of the phenomenon. This naturally most concerns those who wish to change the status quo as they wish to challenge rather than reproduce those structures and processes that created and sustain the phenomenon.

Secondly, by improving our understanding of the many links between defence policy, politics, technology, industry, and economics, as well as military force structure (including conscription) and aspects of foreign policy, this study highlights the close intertwinement of numerous civilian and military domains. It thereby enables a more holistic perspective that takes into account the complexity of foreign and defence policy and is simultaneously able to grapple with it. Put differently, it enables a debate to be cognisant of the bigger picture that connects the often abstract issues of grand strategy or a country's strategic culture with very specific policies such as acquisition or outsourcing. The relationship between society and the defence enterprise in particular is marked by a lack of sustained conversation between the two domains, the sheer disinterest among much of the electorate in foreign and defence policy, and yet the appreciation of that same electorate for the centrality of the policy domains in question. In providing both a wide and deep account of the

issues at hand, this study hopes to contribute to a conversation that is not yet nearly well-enough developed.[63]

Finally, the above big-picture contributions are composed of numerous specific analyses and insights that improve our understanding of each of them as well as of their linkages. This includes how the trajectory of defence strategy and strategic culture in the USA and the UK generates both military requirements and incentives for actors to behave in certain ways. It also includes detailed observations of who is able to access and participate in the political process, and why that is the case. And finally it includes numerous new insights into how and by whom military contracts are developed and implemented on the ground. It thus gives a face to the millions of individual little processes and activities that collectively comprise the defence enterprise, and represents knowledge that is crucial to informing both the wider debate as well as individual decision-makers when they deliberate policies but are unsure which stakeholders and domains to take into account. This thesis thus improves our understanding of both the wider issues as well as the operation of many of its component parts, enabling us both to target the relevant components we may wish to affect, but also bearing in mind the big picture which these activities ultimately feed into.

Thesis Outline

Following this introduction, the remainder of this thesis is divided into six chapters and a conclusion. Chapter I discusses theory, methodology, and methods. It first justifies drawing on the Advocacy Coalition Framework (ACF) and Policy

[63] The Royal United Services Institute (RUSI) in London is one of the few who seek to generate and engage in this wider societal debate, focusing on the place of industry in defence and society. This thesis additionally highlights the incentives and avenues of influence between those actors.

Cf. Royal United Services Institute, "Defence, Industries and Society," accessed 14 April 2014, available at https://www.rusi.org/research/programmes/ref:P4D89F6CAC2395/.

Network Theory (PNT), conducting a qualitative analysis, and applying a method of structured, focused comparison. It then discusses case selection and data requirements, collection, and analysis. The remaining chapters' organisation closely follows from PNT and the three research questions.

Chapters II and III analyse the context of the defence policy process in relation to military services contracting. They establish the historical trajectory of and background to the contemporary defence policy process and military outsourcing therein. Chapter II examines the expansiveness of grand strategic postures in the USA and the UK, their longevity, and the reasons for this longevity from the Cold War until today. Chapter III draws on these analyses to identify the ramifications of these postures for supplying the armed forces. It develops a step-by-step understanding of how postures and strategic cultures lead to technological and manpower requirements, and how the USA and the UK have sought to meet these requirements and generate the required military capabilities within ideational, defence economic, and defence-industrial contexts. Together, chapters II and III accomplish three things: first, they expand the literature on the drivers of military services contracting. Secondly, they offer a detailed examination of the links between grand strategy, posture, requirements, technology and technologisation, force structure, political-economic ideology, and outsourcing; existing studies neglect at least some of these factors, or view some of them as static rather than as dynamic. Thirdly, having established the background to the contemporary policy process, these chapters develop assumptions about the likely shapes of policy networks, policy outcomes, and the future trajectory of military outsourcing which are then examined in chapters IV, V, and VI.

Chapter IV asks "who makes defence services acquisition policy today?" It maps these networks in detail in the USA and the UK. The chapter identifies each network's bias towards business, assesses the structural power of business, and

suggests that they affect the future making of defence policy. This is because they reinforce the contextual forces identified in chapters II and III and heavily constrain the operations of the sub-domains that are examined thereafter, thus limiting the likelihood of change 'trickling up' from within.

Chapters V and VI examine the politics and execution of two overseas military responsibilities – foreign military assistance and military support services – and specifically the role of contractors therein. Both chapters first establish the political and military relevance of the respective military responsibilities and the drivers of their increased contractorisation. While chapter V examines in detail the implementation of such contracts within the relevant networks, chapter VI focuses on identifying the future trajectory of military services contracting more generally. Both chapters discuss policy-relevant ramifications and issues that mostly correspond to those identified in the literature review above, and identify factors that explain both the similarities as well as the differences between the USA and the UK. Both chapters close with assessments of how the implementation of individual military responsibilities feeds back and can thereby serve to both reinforce the status quo but also to potentially unsettle it.

This structure reveals the benefits of sequencing. Accounting for the fundamentally reciprocal and iterative nature of the process each variable is, at some point, independent or dependent. While grand strategy is independent at first, it is conceptualised as potentially changing in the conclusion of every later chapter. Military logistics, at first dependent on strategy and ideas, later acts as the variable that shapes policy networks. Policy outcomes, finally, first depend on the above before feeding back to potentially affect it. The study thus remains sensitive to structure and agency and their interaction and impacts over time, so that as a result we arrive at a more nuanced and hopefully accurate picture of the drivers, politics, process, ramifications, and future of military outsourcing across a long period of time.

The conclusion draws the argument and findings together, and systematises them to argue for their broader validity beyond the cases studied here. It then discusses the limitations of this dissertation, identifies avenues for future research that emerge from this study, and thereby reappraises the academic and broader societal contribution this study makes.

I. Theory, Methodology, and Methods

This chapter introduces the theoretical and methodological approach that was developed to answer this study's three interconnected research questions. Under the overarching research interest in the role, relevance, and ramifications of military services contracting for the defence policy process, they ask:

1) Why do states contract for military capability overseas, i.e. what are the drivers of military services contracting?

2) How does outsourcing figure in politics and political decision-making, and how is it conducted on the ground? That is, what role do contractors and contracting play in the policy process?

3) And how does it affect the broader defence enterprise and policy process in the long term? That is, how does it affect the future of defence policy, and what is its own future? Why are we witnessing the entrenchment of contractorisation rather than its reduction?

The chapter begins by introducing the phenomenon under study, i.e. military services contracting in the wider defence policy process. It then justifies the choice of the theoretical and conceptual framework, i.e. the Advocacy Coalition Framework and Policy Network Theory. Last, it makes the case for using a qualitative, case-oriented methodology by presenting the case studies (the outsourcing of military logistics and foreign military aid in the USA and the UK), and discussing how the author gathered, analysed, and evaluated data through a method of structured, focused comparison.

I. 1. The Phenomenon: Military Services Contracting and Contractors in the Defence Policy Process

The phenomenon under study here is military outsourcing within the policy process. Outsourcing signifies the substitution of public actors with private firms in the provision of services, a move that is often called the shift "from make to buy".[64] The policy process is defined in more detail below, but it essentially describes the comprehensive political process from its context and background to the specific decision-making environment and process through to the implementation of decisions and its feedback effects for future iterations. Combined, this thesis is thus interested in whether, why, how, and to what extent military outsourcing (as a practice) occurs at all, outsourcing and contractors (as actors) figure in the policy process, and how they affect the process's future trajectory.

The timeline for this study stretches from the end of World War II until 2013. The structures of the defence enterprise and the policy process in both countries under study were set in the late 1940s and to a considerable extent persist until today.[65] Perhaps most importantly, they instituted large standing peacetime armies at the time, and set up centralised defence ministries. The starting point underscores one of this study's contentions, namely that the contemporary wave of military outsourcing stretches back in history much further than the neoliberal revolution of the 1980s or the end of the Cold War around 1990. The year 2013 was a point in time when the phenomenon faced a potentially critical juncture in its trajectory. The US and UK militaries were winding down some of the longest military operations in their histories in the course of which outsourcing boomed. With the deployments coming to an end, the future of outsourcing was one of many issues being debated in both states. The reappraisal could have potentially led to either embracing outsourcing more fully for the long term (and thus building on what had been practiced for over a

[64] Hartley, *Economics of Defence Policy*, pp. 233–235.
[65] The country cases examined here are the USA and the UK, see more in section I.3.i.

decade) or else changing course and reining in the practice.[66] This endpoint not only helps understand the present state of affairs but is also particularly well suited for an analysis that seeks to understand the reasons for and the degree of the entrenchment of military outsourcing as well as its likely future trajectory; after all, critical junctures often set the scene for the longer-term future.[67]

I. 2. Policy Network Theory and the Advocacy Coalition Framework

I. 2. i. A Fresh Approach to Studying the Defence Policy Process

The 'PMSC literature' offers only limited and incomplete empirical considerations and theoretical conceptualisations for the examination of the politics of military services contracting and of contractors' place in and impact on the policy process. Existing approaches help answer the first and third research questions on the causes and consequences of contracting, but not of the role, place, and activities of outsourcing and contractors in the politics and policy process of military outsourcing. In fact, the literature on defence policy-making more generally remarkably lacks frameworks that account for contractors and contractorisation. This may result from the focus on the use of contractors in current military operations and regulatory, state-theoretical, and civil-military issues on the one hand, and on the assumption that contractorisation can somehow be subsumed under interest group politics on the other hand. It is my contention, however, that contractorisation differs significantly from traditional interest group activities. Unlike arms manufacturers, whose activities and services were traditionally limited to the home base and domestic economy,

[66] As these debates typically failed to appreciate the strong force exerted by strategic and technological requirements, a reversal of course was actually less likely than some policy-makers may have hoped at the time. This is discussed in chapter III and the Conclusion.
[67] See e.g. Kathleen Thelen (2002), "The Explanatory Power of Historical Institutionalism," in *Akteure - Mechanismen - Modelle: Zur Theoriefähigkeit makro-sozialer Analysen*, ed. Renate Mayntz (Frankfurt am Main; New York: Campus Verlag), pp. 91–107, at p. 97.

overseas services contracting delivers services up to the frontline in active warzones over extended periods of time. Its contributions to and potential impacts on the deliberations about and the delivery of military force thus differ substantially in three respects. First, geographically the service industry differs from the classical military-industrial complex in that the benefits to electoral districts and domestic jobs are much less palpable. Secondly, regarding the levels of government, services contractors cooperate on a daily basis with all implementing levels while also lobbying the senior leadership. Moreover, they integrate their workforces over extended periods of time, enabling them to inform and potentially affect the thinking and acting of individuals across the government hierarchy. Thirdly, the timeline of services contracting is more comprehensive. It covers the entire period from research and development via implementation to evaluation, i.e. it does not end with the delivery of a product.

While the PMSC-literature therefore offers no approach for studying contractorisation within the policy process, existing theories and models of defence policy-making are not suitable either. The latter are typically designed for specific countries or even specific bureaucracies, and acknowledge that the position and relevance of a given actor may vary depending on the issue. This study however examines multiple countries and issues relating to military outsourcing, so that these approaches are not appropriate.[68]

Historical institutionalism shares with this study comprehensive research interests, and the acknowledgement of the importance of historical context, time, and

[68] In the case of the USA, for instance, this often takes the shape of concentric circles of individuals, agencies, and other institutions, with the President in the centre. A typical "textbook" model is offered by Amos A. Jordan, William Jesse Taylor, and Michael J. Mazarr (1999), *American National Security*, Political science, 5th edn, (Baltimore, MD: Johns Hopkins University Press), p. 218. Similar models are offered by Sam Charles Sarkesian, John Allen Williams, and Stephen J. Cimbala (2008), *US National Security: Policymakers, Processes, and Politics*, 4th [completely revised] edn, (Boulder, CO: Lynne Rienner Publishers), and Ilan Peleg (2009), *The Legacy of George W. Bush's Foreign Policy: Moving Beyond Neoconservatism* (Boulder, CO: Westview Press), pp. 104–105.

sequencing.[69] It is suitable to identify the general types of incentives produced by institutions and political structures, and is increasingly developing an understanding of why institutions (do not) gradually change. This suggests that it may be feasible to address our first and third research questions, and has in fact been used by authors for related inquiries.[70] However, it is ill-suited to answer the second research question on military outsourcing within the policy process. Institutionalism seeks to identify the impact of political, economic, or social structures (material and ideational) on agency. It is not interested in individual policies unless they constitute norms and thus shape future decisions,[71] or in the details of decision-making processes. It thus somewhat ignores the explanatory power of agency by overemphasising that of structure and therefore unsurprisingly does not provide a toolbox for us to conceptualise the individual actor level of analysis, namely how decision-making and implementation operate in detail, who is involved therein and why, and what effects these actions have regardless of whether they are immediately institutional or not.

This study therefore takes a fresh approach to studying the defence policy process. The literature review and the preceding discussion indicated characteristics required of our framework and theory, and the observations we must be able to make in applying them. They must not be biased towards a specific country or policy domain. They should be capable of sequencing the analysis to grasp the iterative, cyclical nature of outsourcing and the reciprocal nature of the relationship between

[69] Thelen, "Explanatory Power of Historical Institutionalism", pp. 93–98.

[70] On developments regarding institutionalism's ability to grasp gradual change, see in particular James Mahoney and Kathleen Thelen, eds (2010), *Explaining Institutional Change: Ambiguity, Agency, and Power* (Cambridge; New York: Cambridge University Press).

Institutionalist and ideational approaches were used most notably by Avant, *Market for Force*, Petersohn, "Military Privatisation", and Krahmann, *States, Citizens*.

[71] Wolfgang Streeck and Kathleen Thelen (2005), "Introduction: Institutional Change in Advanced Political Economies," in *Beyond Continuity: Institutional Change in Advanced Political Economies*, eds Wolfgang Streeck and Kathleen Thelen (Oxford: Oxford University Press), pp. 3–39, at p. 12.

drivers, process, and outcomes. They must also accommodate the multi-levelled, diverse drivers of contractorisation, and grasp the potentially equally multi-levelled influence of contractorisation on the policy process. Moreover, they must conceptualise actors in such a way that accounts for their position and activities within the policy process, their political interests and beliefs, and that can measure the determinants of their relative power so as to enable us to estimate the relative chances of success of actors and their proposed policies. In so doing, they must be able to grasp the sources of both continuity and potential change. Before introducing and making the case for the ACF and PNT, two brief preliminaries are in order.

First, to organise the study of the policy process, this study draws on Ostrom's classification of frameworks, theories, and models.[72] Frameworks are the most abstract. They organise enquiry by providing general variables and universal elements that theories about a phenomenon must include. Theories specify the elements that are relevant to particular kinds of questions about phenomena and postulate the general relationship between them. Their goal is to explain a phenomenon's processes and predict outcomes. Models, finally, make precise assumptions about a particular process based on a limited number of variables and parameters.[73] This study mostly remains on the level of theory as it does not focus on a specific, individual issue or decision. Thus, the ACF provides the broad categories for an analysis grounded in PNT and aiming to arrive at a general understanding of the phenomenon of contractorisation within the defence policy process.

Secondly, a general understanding of the policy process is necessary to understand the choices made below. Leading scholar Paul Sabatier defines the policy process as "[involving] an extremely complex set of elements that interact over

[72] Elinor Ostrom (2007), "Institutional Rational Choice: An Assessment of the Institutional Analysis and Development Framework," in *Theories of the Policy Process*, ed. Paul A. Sabatier (Boulder, CO: Westview Press), pp. 21–64, at pp. 25–26.
[73] Ibid.

time".[74] Policy-making occurs in "subsystems" (or "domains"), covers long time-spans of a decade or more, and involves a large number and wide variety of state and non-state actors who differ in their interests, values, perceptions, and preferences. Programmes operate in policy domains (such as defence acquisition), and because of the high stakes and clashes of beliefs, interests, and money, policy disputes are marked by selective, possibly false representation of evidence.[75]

I. 2. ii. The Advocacy Coalition Framework

There are two major framework for the study of the policy process. The institutional analysis and development framework is "interested in how institutions affect the incentives confronting individuals and their resultant behavior."[76] This study however does not examine collective action problems involving a known population of consumers and therefore draws on the other major framework – the ACF – that is well suited to making the necessary observations.

The ACF is based on three fundamental assumptions: on a macro-level it assumes that policy-making usually occurs among specialists within domains, and that their behaviour is affected by factors derived from the broader context. On a micro-level it rejects rational choice and views actors as following either a logic of appropriateness (i.e. rule-following) or of consequences (i.e. maximising the good). On a meso-level, it argues that the best way to grasp the multiplicity of actors involved in the process within the policy subsystem is to view them as aggregated into "advocacy coalitions".[77]

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[74] Paul A. Sabatier (2007), "The Need for Better Theories," in *Theories of the Policy Process*, ed. Paul A. Sabatier (Boulder, CO: Westview Press), pp. 3–17, at p. 3.
[75] Ibid, pp. 3–4.
[76] Ostrom, "Institutional Rational Choice", p. 21.
[77] Paul A. Sabatier and Christopher M. Weible (2007), "The Advocacy Coalition Framework: Innovations and Clarifications," in *Theories of the Policy Process*, ed. Paul A. Sabatier (Boulder, CO: Westview Press), pp. 189–220, at pp. 191–192. Sabatier has developed the framework over the course of several decades.

The framework became popular in large part "because it reintroduces the concept of ideas and their origins".[78] Moreover, its relative indifference to the legal status of actors reflects the realities of contemporary policy-making better than traditional approaches that limit policy-making to self-contained government agencies, or that equate actors' beliefs with their official backgrounds. The ACF includes judges, researchers, journalists, and intellectuals in addition to legislators, government officials, and interest group leaders,[79] and interest groups are not limited to lobbies or others interested in immediate material benefit.[80] It thereby acknowledges not only the importance of ideas regardless of where they originate, but also the centrality of knowhow. This makes it particularly useful to frame policy processes that are marked by non-governmental actors who generate and potentially hold a monopoly on crucial information and technology –[81] such as contractors. Consequently, it is sensitive to the potential of technologies or other "shocks" to redistribute political resources, thereby unsettle the status quo and change the trajectory.[82]

Two defining characteristics of actors and advocacy coalitions are their beliefs and resources. Beliefs are divided into four tiers, with actors coalescing around one of them.[83] "Deep core beliefs" are the most comprehensive and undergird a person's "general normative and ontological assumptions". "Policy core beliefs" apply the deep core beliefs to individual policy domains (for instance foreign or defence policy), while "policy core policy preferences" in turn apply to subsystems (for instance defence acquisition). The latter preferences "are highly salient", often act as the main

[78] Keith Dowding (1995), "Model or Metaphor? A Critical Review of the Policy Network Approach," in *Political Studies*, Vol. 43, pp. 136–158, at p. 150.
[79] Sabatier and Weible, "ACF", pp. 196–197, 200.
[80] It is here viewed as any "collection of individuals with intensely held preferences who attempt to influence government policies to benefit its own members" who "keep themselves well informed regarding legislation in that area" into contrast to the general public. Charles L. Cochran and Eloise F. Malone (2010), *Public Policy: Perspectives and Choices*, 4th edn, (Boulder, CO: Lynne Rienner Publishers), p. 80.
[81] Sabatier and Weible, "ACF", pp. 189, 192.
[82] Ibid, pp. 191–192.
[83] Ibid, pp. 194–196.

source of division of different actors as they project an understanding of how a policy subsystem ought to look like, and thus provide visions that guide coalition strategy. "Secondary beliefs", finally, cover less than a subsystem but rather specifics of a programme or policy and require relatively little counter-evidence to change.[84] Regarding belief-based policy behaviour, the ACF hypothesises that "when policy core beliefs are in dispute, the lineup of allies and opponents tends to be rather stable". Also, "[actors] within an advocacy coalition will show substantial consensus on issues pertaining to the policy core, although less so on secondary aspects."[85] Alliances that are split along pro-/anti-contracting lines can thus be assumed to be stable for longer periods of time, while they are more likely to be split on individual policy decisions regarding the details of the use of contractors in specific instances.

Resources of actors and coalitions are not limited to their finances. Rather, coalitions can hold a mix of the following: "formal legal authority to make policy decisions", public opinion, information, "mobilizable troops", finances, and a skilful leadership.[86] Individual actors are therefore still divided into state agents and non-state interest intermediators based on the first, critical type of resource, but their aggregation into coalitions ends the sharp division.[87] Actors mobilise their resources throughout the policy process to identify problems, place them on the agenda, deliberate them, decide on a policy, and evaluate the outcome. In addition to the resources proffered by the ACF, this study also measures access to those with formal decision-making power. Even if access does not automatically translate into "formal" power as the first type of resource, it still indicates a significantly enhanced potential to affect government decision-making and introduces additional nuance to the

[84] Ibid.
[85] Ibid, p. 220.
[86] Ibid, pp. 201–203.
[87] Cf. Silke Adam and Hanspeter Kriesi (2007), "The Network Approach," in *Theories of the Policy Process*, ed. Paul A. Sabatier (Boulder, CO: Westview Press), pp. 129–154, at pp. 133–134.

analysis. Since this study maps the generic policy process this is particularly feasible to predict the potential influence of actors or coalitions that may form in the future.

Unlike postulated by the ACF, agents here are not seen to act in accordance either with the logic of appropriateness or the logic of consequences,[88] but the "logic of practicality" as proposed by Pouliot.[89] It is ontologically prior to the other two and therefore more parsimonious; rather than asking which of two logics an actor may or did follow in a particular case, the logic of practicality builds on an understanding of the background to the act.[90] This background explains which course of action is deemed more practicable (or feasible). Since this study seeks a broad understanding of the policy process and its long-term trajectory, working off the basis of practicality is more promising.

In sum, this framework provides the following general variables and universal elements to organise our enquiry into the policy process: policy occurs in specialised domains; actors are aggregated into advocacy coalitions that pursue specific policy goals; actors have various public and non-state backgrounds from across the political or economic hierarchy; actors and coalitions hold four-tiered beliefs of varying stability; actors hold material and immaterial resources; and actors follow the most practicable path in a given situation.

I. 2. iii. Policy Network Theory

Policy network approaches have been used in studies of foreign policy, especially regarding the impact of globalisation and other transnational developments on foreign policy processes.[91] Overall, however, policy process theories

[88] Sabatier and Weible, "ACF", pp. 194–196.
[89] See Vincent Pouliot (2008), "The Logic of Practicality: A Theory of Practice of Security Communities," in *International Organization*, Vol. 62, No. 02, pp. 257–288.
[90] Ibid, p. 258.
[91] Policy networks were likely first mentioned by Peter J. Katzenstein (1978), "Introduction: Domestic and International Forces and Strategies of Foreign Economic Policy," in *Between Power and Plenty: Foreign Economic Policies of Advanced Industrial States*, ed. Peter J. Katzenstein (Madison, WI: University of Wisconsin Press), pp. 3–22, at p. 19.

remain predominantly within the fields of domestic political studies, and (like the ACF) Policy Network Theory has not yet been significantly applied to defence policy. PNT is the most appropriate policy process theory for this study: unlike all other approaches, it is not primarily, let alone exclusively concerned with policy *change* or a clearly identified "consuming" population, but rather more generally with grasping the entire policy *process*.[92] The ACF and PNT are also a sensible combination of framework and theory as neither focuses exclusively on policy adoption or is limited to a particular geographic or political context.[93]

PNT departs from the understanding that the model of the unitary, fairly self-contained, hierarchical, and state-centred political decision-making system has and always had little to do with reality.[94] It is based on the view that policy networks "reflect the relative status or power of particular interests in a policy area" and that they influence, but do not determine, policy outcomes.[95] Networks are thus predominantly defined by their composition (i.e. constituent actors) and their structure (i.e. the relations between actors).[96] Policy networks can then be applied in a generic way to describe empirically possible types and patterns of interaction in

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For other relevant examples see Elke Krahmann (2003), *Multilevel Networks in European Foreign Policy* (Aldershot: Ashgate), and Miles Kahler, ed. (2009), *Networked Politics: Agency, Power, and Governance* (Ithaca: Cornell University Press).

[92] These approaches are in particular the "Punctuated-Equilibrium", "Multiple Streams", "Innovation and Diffusion", "Large-N Comparative", and "Social Construction and Policy Design" theories and frameworks. Cf. the respective chapters in Paul A. Sabatier, ed. (2007), *Theories of the Policy Process*, 2nd edn, (Boulder, CO: Westview Press). The monograph by renowned scholar Thomas A. Birkland (2010), *An Introduction to the Policy Process: Theories, Concepts, and Models of Public Policy Making*, 3rd edn, (Armonk, NY; London: M. E. Sharpe) lists fewer approaches, and none that are not contained in Sabatier's volume.

[93] Cf. also Edella Schlager (2007), "A Comparison of Frameworks, Theories, and Models of Policy Processes," in *Theories of the Policy Process*, ed. Paul A. Sabatier (Boulder, CO: Westview Press), pp. 293–319, at p. 298.

[94] Adam and Kriesi, "Network Approach", p. 132.

[95] Tanja A. Börzel (1998, Summer), "Organizing Babylon: On the Different Conceptions of Policy Networks," in *Public Administration*, Vol. 76, pp. 253–273, at p. 258.

[96] Adam and Kriesi, "Network Approach", p. 133.

policy domains,[97] as this study does in relation to defence (services acquisition) policy.

PNT is ideally suited to a sequenced, iterative analysis as proposed earlier. First, it takes a comprehensive perspective on the policy process by encompassing three levels and stages that are illustrated below (see Figure 1 on p. 52) and discussed in the next sections: the context of policy networks, their composition and operation, and policy outcomes. In the first view, the contextual factors act as independent variables while network composition is dependent; in the second stage the network is independent and policy outcomes are dependent. Policy outcomes, finally, affect the next conceptual cycle in that they can reaffirm or unsettle the context and/or the networks.[98] This triad represents this study's conceptual logic and is therefore discussed next in more detail.

The Context of Policy Networks

Three-tiered contextual factors influence the emergence, composition, and structure of policy networks. Focusing on the context of a network means viewing the network's emergence, composition, and structure as dependent variables, influenced by a set of transnational and international, national, and domain-specific forces. These contextual factors can be either general or situational, meaning that they either affect the network continuously over extended periods of time, or they occur suddenly and potentially act as "shocks". Shocks unsettle the status quo, for instance by affecting the valuation of actors' resources, the admission to the network, and thus the network's composition and structure.[99]

The transnational or international context is the international policy environment, which here predominantly concerns the security environment and

[97] See Börzel, "Conceptions of Policy Networks", p. 255, and Adam and Kriesi, "Network Approach", p. 130.
[98] Adam and Kriesi, "Network Approach", pp. 136–138
[99] Ibid, pp. 136–142. Chapters II and III will establish in detail the general, continuous contextual factors, while technological developments and sudden fiscal pressures that can act as shocks both figure prominently especially in chapters III and VI.

international trends in defence economics and technology. Studies have shown, for instance, that convergence across states is more likely to occur when states use the same policy instruments (such as outsourcing) rather than only pursue the same policy goals (such as cost savings).[100]

The national context is strongly defined by three components. First is the formal institutional structure of the state, which mostly concerns the relative strengths of the executive, legislature, and judiciary, and the degree of institutionalisation of power-sharing between the state, industry, and labour.[101] The very different roles of the legislatures in the policy processes in the USA and the UK considerably affect the conduct of defence policy in general and the differences in specific domains.[102] The second component is the administrative arena which is the main locus of public-private interaction. Here, the relative centralisation of both state and non-state actors, and the state's autonomy from interest mediators are of prime relevance.[103] Centralisation refers to the number of actors involved on either side, while autonomy concerns the ability of the state to make policy with more or less concern for the non-state side.[104] And thirdly, informal structures, such as modes of access and informal exchanges of information, are increasingly accounted for.[105] They are very relevant in this study, as – in the words of one interviewee – this is where most of the work gets done.[106]

The domain-specific level most directly incentivises actors to participate in the subsystem, provides resources for group formation, raises expectations among

[100] Ibid, p. 135. Chapters V and VI appraise this assumption regarding the USA and the UK.
[101] These analytics are typically derived from the standard-setting author in this area, Arend Lijphart (1999), *Patterns of Democracy: Government Forms and Performance in Thirty-Six Countries* (New Haven, CT; London: Yale University Press).
[102] This argument is developed in chapters IV and V.
[103] Peter J. Katzenstein (1978), "Conclusion: Domestic Structures and Strategies of Foreign Economic Policy," in *Between Power and Plenty: Foreign Economic Policies of Advanced Industrial States*, ed. Peter J. Katzenstein (Madison, WI: University of Wisconsin Press), pp. 295–336, at p. 308.
[104] Chapter IV in particular relies on this component.
[105] Adam and Kriesi, "Network Approach", p. 140.
[106] Cf. personal interview with Dr Frank Camm. Senior Economist at the RAND Corporation. RAND Corp. Offices, Arlington, VA (17 April 2012).

the public, and is the immediately visible and salient part of the process that produces traceable effects.[107] In our case it is defence (services acquisition) policy. In terms of forming part of the wider policy-making arena, policy domains are defined by two central characteristics: sectoralisation and system integration. Sectoralisation "denotes the degree to which a network is protected by isolation from other policy domains" and is "important for regulating spill-overs of problems or strategies from other networks."[108] It is measured in terms of decision-making power in the network and the autonomy of deciding state-actors.[109] System integration denotes the institutional and ideological affiliation of a policy domain with broader state components, such as defence services acquisition with overall defence, security, or even government policy. A high degree of system integration may "[serve] as a protective cover since a political assault ... is perceived as threatening the whole system."[110] The attempts to exempt defence from the budget cuts in the USA known as "sequestration" illustrates that the defence domain there enjoys a considerable degree of system integration.[111] This is further underscored by the active role the US defence industry as part of "democracy's arsenal" is assigned in producing security.[112]

As the emergence of policy networks is an empirical issue, no level can be viewed *a priori* as stable or as the most influential on the network's emergence,

[107] Adam and Kriesi, "Network Approach", pp. 141–142.
[108] Marian Döhler (1991), "Policy Networks, Opportunity Structures and Neo-Conservative Reform Strategies in Health Policy," in *Policy Networks: Empirical Evidence and Theoretical Considerations*, eds Bernd Marin and Renate Mayntz (Frankfurt am Main; Boulder, CO: Campus Verlag; Westview Press), pp. 235–296, at p. 243.
[109] Michael M. Atkinson and William D. Coleman (1989), "Strong States and Weak States: Sectoral Policy Networks in Advanced Capitalist Economies," in *British Journal of Political Science*, Vol. 19, pp. 47–67, at p. 51.
[110] Döhler, "Policy Networks", p. 243
[111] Cf. Lawrence J. Korb, Alex Rothman, and Max Hoffman (2012), "Gunpoint Stimulus," in *Foreign Policy* (02 July 2012), accessed 30 November 2012, available at http://www.foreignpolicy.com/articles/2012/07/02/gunpoint_stimulus?page=full and Cheryl Pellerin (2011), "Service Chiefs: Sequestration Damage Could be Irreversible," in *American Forces Press Service* (02 November 2011).
[112] Cf. Jacques S. Gansler (2011), *Democracy's Arsenal: Creating a Twenty-First-Century Defense Industry* (Cambridge, MA; London: The MIT Press).

composition, or structure.[113] Moreover, the three levels are not entirely independent of one another; transnational influences are refracted on both the national and domain-specific levels, and all potentially affect one another over time. For instance, the national and/or domain-specific level determines the interpretation of the international environment at a certain point in time. Relatively stable threat perceptions can create incentives and preferences regarding defence acquisition.[114] A pre-existing military posture can affect not only the security environment – for instance through security dilemmas – but also a state's national-level tendency towards interpreting security problems. This study therefore examines the relationship between and the changeable nature of these contextual forces and not only their impact on the policy network,[115] which is conceptualised next.

Policy Networks' Composition, Structure, and Selectivity

Inside, networks are defined by their composition, structure, and "selectivity". Composition results from formal factors such as working for a government agency, but also from market logics or membership in an expert community. Members mobilise and exchange resources inside networks in the pursuit of policy objectives.[116] As noted, they can often be aggregated into advocacy coalitions (which are not only a concept; interest groups often form coalitions to lobby on an issue).

A network's structure follows from its composition and the interactions and relations between its constituent parts. Studies are primarily interested in the distribution of power within networks and how this plays out. Power is not defined

[113] See Carsten Daugbjerg and David Marsh (1998), "Explaining Policy Outcomes: Integrating the Policy Network Approach with Macro-Level and Micro-Level Analysis," in *Comparing Policy Networks*, ed. David Marsh (Buckingham; Philadelphia: Open University Press), pp. 52–71 and Patrick Kenis and Volker Schneider (1991), "Policy Networks and Policy Analysis: Scrutinizing a New Analytical Toolbox," in *Policy Networks: Empirical Evidence and Theoretical Considerations*, eds Bernd Marin and Renate Mayntz (Frankfurt am Main; Boulder, CO: Campus Verlag; Westview Press), pp. 25–59, at pp. 40–41.
[114] This is currently salient regarding unmanned aerial vehicles (UAVs) and cyber security.
[115] See chapters II and III.
[116] Kenis and Schneider, "Policy Networks and Policy Analysis", pp. 41–43.

statically but rather by the mix of resources that actors and coalitions hold.[117] It should be noted that the valuation of resources in different policy domains usually also differs; technological expertise, for instance, is more relevant in some fields than in others. Together with membership, the interactions of actors and coalitions are indicative of the rules of admission to the network, the degree of interest mobilisation, and the role of actors (including – importantly – potential veto-players) in the deliberation and implementation of policy. They also determine which issues are debated and thereby delimit the most likely policy outcomes.[118] This is highly relevant as it is sometimes argued that contractors become subject matter experts who can establish the terms of debates and thus set agendas.[119] Network composition and structure thus directly affect processes and vice versa.[120]

The formulation of policy thus stands at the end of a process in which the constraints and opportunities of a network's structure, composition, and internal interactions narrow down the range of policy trajectories and alternatives decision-makers perceive to be available. This is summarised as "network selectivity",[121] a phenomenon that has particularly long-term ramifications and is therefore of central concern for this study's research interest.

Policy implementation and outcomes then have their own potential long-term effects. As dependent variables they are circumscribed to a considerable degree by the network's selectivity. As independent variables, outcomes affect the context,

[117] Adam and Kriesi, "Network Approach", pp. 133–134.
[118] David Marsh and Martin J. Smith (2000), "Understanding Policy Networks: towards a Dialectical Approach," in *Political Studies*, Vol. 48, pp. 4–21, at pp. 5–6.
[119] See in particular Leander, "Power to Construct International Security".
On agenda-setting, see Birkland, *Introduction to the Policy Process*, p. 171.
[120] The relationship between network structure and its component actors and coalitions is dialectical, with structure constraining or facilitating agency, and agency reshaping network structure. See Marsh and Smith, "Understanding Policy Networks", pp. 5–9.
[121] Döhler, "Policy Networks", p. 251.

network, and individual agents, and can thus potentially unsettle or at least reorient the trajectory of the policy process.[122]

The below summarises the discussion on policy networks, with arrows indicating directions of influence.

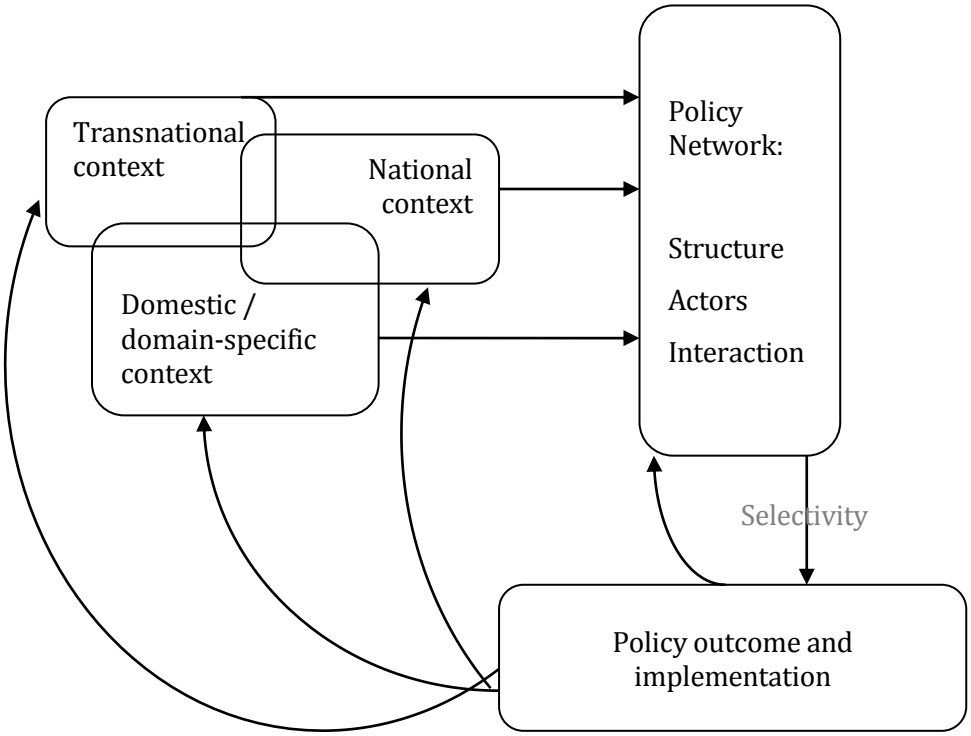

Figure 1: A model of the policy process according to Policy Network Theory

This chapter now turns to the methodology and method with which this study draws on the ACF and PNT.

I. 3. Methodology, Methods, and Research Design

This study conducts a qualitative analysis. It applies the method of structured, focused comparison to four cases: the outsourcing of foreign military assistance and

[122] Marsh and Smith, "Understanding Policy Networks", p. 9.

of military logistics in the USA and UK. The analysis draws on a wide range of written and interview data. The following discusses each of these points in detail.

I. 3. i. Case Selection

Country Cases: the USA and the UK

The case selection allows us to draw on relevant, representative cases that display both similarities and variances over extended periods of time, and to cumulate knowledge on otherwise well-researched country cases.

To begin with, the USA and the UK are the two foremost cases when it comes to the outsourcing of military responsibilities. The phenomenon of military outsourcing is clearly displayed in both countries. Given their relative size, sophistication, and importance in NATO and international security, many states follow one or both states' examples when contemplating military change and defence reform.[123] They are therefore particularly representative of the phenomenon of military services contracting as well as its likely future (i.e. research questions one and three), and the analysis uncovered ample evidence about contractors' presence and involvement in policy networks (i.e. the second research question).

Moreover, most of the existing research on military outsourcing deals with one or both of these countries. Covering other states could of course make a valuable contribution to the literature, and critics may argue that they are not sufficiently independent from one another or are extreme cases. However, the significant differences in their economic size, the role assigned to their defence-industrial bases in the production of national security, and the vastly differing roles of their legislatures in the policy process defy this potential criticism. In fact, these differences introduce considerable nuances into the analysis and findings. Furthermore,

[123] Cf. Terry Terriff and Frans Osinga (2010), "Conclusion: the Diffusion of Military Transformation to European Militaries," in *A Transformation Gap: American Innovations and European Military Change*, eds Theo Farrell, Terry Terriff and Frans Osinga (Palo Alto: Stanford University Press), pp. 187–209, at p. 187.

revisiting two well-known cases from a substantially different angle makes an important contribution as it enables cross-fertilisation and the testing of hypotheses of existing studies in so far as they overlap with the present study. This case selection thus enables us to cumulate additional knowledge and theoretical considerations about the phenomenon of military services contracting.

Also, regarding the occurrence of outsourcing, they display significant variance on the extent of foreign military services contracting, but only minor variance regarding military logistics (see table below). To solve this puzzle, this study can build on both within-case and cross-case examinations of how the three-tiered contextual factors and the respective policy networks create both similar and different outcomes over extended periods of time. We should thus arrive at nuanced, broad findings that are based on detailed observations of several iterations of the policy cycle.

	USA	UK
Degree of Outsourcing Military Logistics	High	Very High
Degree of Outsourcing Foreign Military Assistance	High	Low

Table 1: Degree of outsourcing logistics and foreign military assistance in the USA and the UK.

Finally, the USA and the UK are among the least inaccessible for researchers ('easily accessible' would be an overstatement), and additionally publish by far the most relevant primary source material in open fora.

Nonetheless, as any case selection this one has not only advantages but also limitations. This author had initially planned to include Germany as a (potentially

third) country case study to contrast with the USA, which would have scored "low" on both counts in Table 1. The German defence establishment, however, proved very difficult to penetrate as a researcher, and has furthermore been undergoing the most comprehensive structural reform since the creation of the Bundeswehr in 1955. Interview and other data was therefore not only difficult to come by (similar to France) but also at risk of becoming outdated in the course of researching this study.

Also, Germany (and sometimes France), which are occasionally examined as control cases to the USA and the UK, still share many characteristics with both the UK and the USA – from NATO membership to joint defence procurement. This suggests that examining the UK in addition to the USA will already draw out many of the nuances and explanatory variables that explain the variation between cases without facing the structural problems of defence reform in Germany or the hurdles of accessibility and limited data availability in Germany and France.

Finally, as discussed below in section I.3.ii, the wealth of material uncovered and the partly exploratory nature of this study meant having to generate many of its hypotheses 'from scratch', while much of the data had not yet been processed for a policy-focused analysis of contracting. This made it unfeasible to include a third country case (and thus a fifth and sixth case study in addition to logistics and foreign military training outsourcing in the UK and USA) within the confines of this study.

Overall, therefore, this study stuck to the UK and the USA for the reasons discussed above. Importantly, however, in order to overcome the aforementioned limitations of this case selection, in the conclusion this study will systematise its findings in such a way to make them testable and applicable to other country cases and military responsibilities than those examined here. It thereby offers a more case-independent toolbox for future research, and thus overcomes the limitations of the case selection by proposing more case-independent findings.

Military Responsibilities

As was discussed in the introduction, the literature displays an undue focus on armed contracting at the expense of other services. By focusing on foreign military assistance and overseas logistics the study avoids this bias and additionally contributes new empirical evidence. The two services are furthermore of considerable political and strategic importance, and should thus lead to more representative findings about the wider phenomenon than security contracting.

First, outsourcing military logistics is strategically much more important than private security contracting. Logistics is the backbone of military strategy and therefore central to the operation of the defence enterprise, its capabilities, and the projection of military power.[124] Logistics therefore – whether considered or not on the political level – at the very least affects defence political capabilities, operations, and the trajectory of defence policy.[125] Being extensively outsourced, manpower-intensive, central to military force structure and civil-military relations,[126] and generally under-appreciated makes it a fitting and original case study.

Secondly, foreign military assistance adds significant value to the study. Whereas logistics is mostly technical and not salient in the wider political debate, foreign military assistance is a top-level policy, a tool of foreign policy that is deliberated and decided at the highest levels of government.

In combination, they allow us to examine the immediate politics of military outsourcing, the multi-levelled trickle-down effects of government policy on the outsourcing of specific capabilities, as well as the 'trickle-up' effects on high policy of implementing policy with contractors. Also, while logistics is provided to the

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[124] Cf. Mark Erbel and Christopher Kinsey, "Think Again: Military Logistics. Reappraising Military Logistics and its Relevance to Strategy and War," under review.

[125] See in particular Martin van Creveld (2009), *Supplying War: Logistics from Wallenstein to Patton*, 2nd edn, first publ. in 1977 (Cambridge: Cambridge University Press),
and more recently Matthew Uttley and Christopher Kinsey (2012), "The Role of Logistics in War," in *The Oxford Handbook of War*, eds Julian Lindley-French and Yves Boyer (Oxford: Oxford University Press), pp. 401–416.

[126] See chapter VI for more details.

outsourcing state's military, foreign military assistance ostensibly first benefits the receiving country.[127] As chapters V and VI show, this difference of immediate beneficiary or consumer helps explain the different practices and outcomes described above, i.e. why the UK goes the furthest in outsourcing its own support while outsourcing virtually no mission-critical parts of its foreign military aid.

I. 3. ii. A Qualitative Methodology and Method: Structured, Focused Comparison

The method of structured, focused comparison is *structured* in that each case is confronted with the same set of general questions that reflect the study's research objective. As the research is interested in phenomena, not holistic cases, it is *focused* in that it examines only circumscribed aspects of the historical cases drawn upon.[128] The method is thus well-suited to comparative research (such as this study) that discusses a limited phenomenon in a small number of cases, as is discussed next.[129]

First, this study has some exploratory characteristics. It is the first systematic and theoretical enquiry into the phenomenon of military services contracting within the wider policy process. Therefore, it cannot draw on an existing body of research or processed data, but must generate its questions and hypotheses almost 'from scratch', as well as work off of a large volume of raw data. This would not be possible if it had to be done for a large number of cases.

Secondly, in-depth case-oriented analysis can serve heuristic purposes.[130] Despite its limitations this study produces general findings which can help develop new theoretical explanations about the phenomenon. It offers a catalogue of

[127] US foreign military aid policy, unlike the UK's, is heavily affected by defence industrial policy and interests, as chapter V discusses in detail.
[128] This is drawn from the new standard-setting publication about the method, see Alexander Lawrence George and Andrew Bennett (2005), *Case Studies and Theory Development in the Social Sciences* (Cambridge, MA: MIT Press), p. 67.
[129] Small-n, qualitative studies that apply this method can cumulate to further the development of knowledge and theory about a given phenomenon. Ibid, pp. 68–70.
[130] Ibid, pp. 75–76.

questions, observations, and relevant types of data to be deployed to other cases and to test and expand the theoretical considerations developed here. As a result, it suggests avenues for future research into the drivers, politics, process, and ramifications of military services contracting.[131]

Thirdly, this design overcomes the problem of data availability and accessibility. Data is notoriously difficult to come by in security studies in general, and on informal decision-making and military outsourcing in particular. Focusing on fewer cases that can be researched relatively well alleviates this problem.

I. 3. iii. Concept Operationalisation

This section outlines the operationalisation of the concepts that were introduced in section I.2. Regarding context, the first observation to be made is the expansiveness of (grand) strategic posture,[132] its durability, as well as the origins of both. Also classified as contextual are several ideational, defence economic, and defence technological factors. This includes views on the public-private divide, the political-economic organisation of the state, and its stance toward neoliberal governance (beyond defence). Specific observations to be made include the stance towards and the adoption of core competency in government as this directly affects acquisition and force structure policies. It also comprises approaches to meeting the capability, manpower, and technological requirements that result from a strategic posture. This includes, in particular, the location of knowledge, expertise, innovation, and technological change (i.e. especially industry), as well as military force structures.

On the network level, actors' beliefs are considered insofar as is necessary to identify their respective policy preferences and define the fault lines that divide coalitions. A different hierarchisation of strategic-cultural, defence economic, and defence-industrial "beliefs" regarding self-sufficiency and subsidies goes a long way to

[131] See the section on systematising and generalising the study's finding in the Conclusion.
[132] Cf. Taylor, "Contractors on Operations, Equipment Support", pp. 190–191.

explaining the occurrence and degree of outsourcing. Generally, the beliefs assumed to be of relevance here are preferences regarding the role of government, the views on public service as a job or vocation,[133] foreign policy preferences regarding the country's role in the world, and civil-military preferences regarding the shape and organisation of the armed forces.

This study measures actors' resources and their mobilisation in the policy process as follows. Formal decision-making power is a property held by actors and differs in its value depending on the rank of the person in the government hierarchy or the immediate relevance of their portfolio to the policy issue in question. Access to decision-makers is measured through reputational analysis[134] and by examining the inclusion of actors in key fora such as advisory boards and official government consultations. Public opinion is expected to be irrelevant here as the general public is widely seen to be ill-informed and/or disinterested in national security policy which is an endeavour of elites and interest groups.[135] Interviewees from government, industry, and civil society all acknowledged the relative absence of public concerns for defence acquisition issues when compared, for instance, to health care reform. The resource of "information" is measured by locating knowhow, knowledge, and intellectual property in the various actors. "Mobilisable troops" and "skilful leadership" belong together. They are measured by the degree to which the advocacy coalitions and their leaderships are able to stay on top of the developments in the domain, learn about them possibly before information gets public, remain visible, extend their networks, and mobilise their supporters in the event of a policy dispute.

[133] The keyword here is the "revolving door" between government and the private sector as a weaker attachment to government service and/or the normalcy of employing former civil servants in the private sector can affect officials' incentive structure regarding how to approach contracting and contractors. Chapters IV and VI examine this in more detail.
[134] This includes asking interviewees about interlocutors and who the leaders on an issue are.
[135] See David J. Rothkopf (2005), *Running the World: The Inside Story of the National Security Council and the Architects of American Power* (New York: PublicAffairs), pp. 3–5 on the USA, and Robert C. Self (2010), *British Foreign and Defence Policy since 1945: Challenges and Dilemmas in a Changing World* (Basingstoke: Palgrave Macmillan), pp. 255–259 on the UK.

Money, obviously, refers to the funds available to actors to support the pursuit of their policy objectives.

The relevance of contractors and their advocates in the above is then contingent on their ability to define the terms of the debate, threat perceptions, and agenda-setting; the relative distribution of resources in their favour (or not); their presence in all stages of the policy process; and the extent to which they can benefit from and capitalise on their participation in the informal parts of the policy process.

Network sectoralisation, system integration, and selectivity, as well as feedback effects of policy implementation are deduced from the observations above at the end of each chapter and summarised and systematised in the conclusion.

I. 3. iv. Data Collection

This study draws on a wide range of primary source material (printed and interviews) in addition to the relevant secondary literatures on contractorisation, defence economics, force structure policy, military logistics, foreign assistance, and others. Printed sources comprise government publications, reports, and various other public releases; industry and non-governmental organisation (NGO) publications and press releases; and freedom of information requests.

The written sources from government and non-state actors produce significant insights into their official, publicly stated interests, public advocacy efforts, statistics on spending and access to decision-makers, strategies, and legislation. Requests in accordance with Freedom of Information Acts (FOIA) were submitted in the USA and the UK in order to fill gaps in the other sources and to gauge the future course of certain policy aspects that are being deliberated but have not yet been formally decided or publicised. In total, I consulted over 150 primary sources from government, industry, and NGOs. These include press releases, White Papers, consultation papers, advisory board studies, trade publications, legislation, and

diverse statistics from various government departments of which many had not yet been processed for in-depth academic study.

The FOI requests, which were not always satisfactorily answered, requested information on lobbying efforts in various government departments and agencies, spending figures on specific policy efforts, figures on the conduct of embedded contractors, ongoing plans to integrate uniformed and contractor workforces, and details on specific contracts.

Interviews were conducted to shed light on the expansive and highly relevant informal, non-memorialised aspects of the policy process. For instance, the US government may publish the terms of reference for a Department of Defense (DOD) advisory board to form a task group, and a year later publish the group's findings or recommendations. The interim period, however, is very hard to discern from these two sources; interviews help illuminate such grey areas and non-memorialised stages of the policy process. Similarly, the identification of key actors, of the various perceptions and beliefs, the reputation of actors, and especially their access to decision-makers is often only possible by enquiring about them in interviews. Interviews are also crucial to deepen the analysis of specific contracts or interactions, as chapters IV-VI underscore. Finally, interview data enables the triangulation of printed sources, and reading between the sometimes partisan lines of public statements. Interview questions were developed in close reference to the theoretical framework developed above in order to maximise their utility for the present analysis. They enquired about strategy, defence economics, policy network composition, advocacy coalitions, individual defence outcomes, and the trajectory of the various policies and practices.

I conducted approximately fifty interviews, both on and (quite often) off the record.[136] Interviewees were active or former members of government, military, industry, or NGOs. They were identified strategically by affiliation, identification in the literature and sources, but only in very few cases through "snow-balling"; despite its small size the sample is thus as independent as can be. The importance of these actors was further underscored by the fact that – independently from one another and the literature – many interviewees were repeatedly identified by others as being particularly valuable sources on a given topic. The high number of off-the-record interviews was due to the sensitivity of the issues at hand, and the ability of interviewees to speak at all. Some would have been required to clear each quote with their respective employers while in some cases anonymity was necessary to protect interviewees' identity in the world of arms and defence services trade. As a result, this study is able to draw on current and former often high-level industry and government representatives who would otherwise not have consented to being interviewed. The contribution and insights provided in the interviews that often spanned several hours and/or meetings have been invaluable for this study.

This concludes the introductory and conceptual part of this dissertation. The organisation of the following chapters is derived from the above and geared towards a sequenced analysis. The chapters first identify and establish the key contextual factors that undergird the status quo, and trace them over an extended historical period of time. Next, they map the high-level defence services acquisition policy network and identify system-level selectivities. Finally, they examine in detail the politics and process of overseas military services contracting, assess whether they confirm the preceding assumptions and analyses, and evaluate their ramifications for the future of the policy process (does the future hold "more of the same" in store, and

[136] This study's was ethically approved by King's College London under Research Ethics Committee Reference Number REP(WSG)/09/10-35.

which potential sources of change could alter this trajectory?). The analysis begins with the expansiveness and durability of grand strategy and global defence postures, two central frames and determinants of the supply of military force.

II. The Strategic Context of Defence Policy-Making: the Scope and Durability of Grand Strategy and Posture

Defence policy-making is fundamentally about reconciling policy with capability.[137] This chapter covers the former while chapter III builds thereon to examine the latter; together they establish the contextual factors as per PNT by identifying how defence policies and modes of generating military capability affect the propensity to outsource and thus influence the policy networks' composition and the wider policy process.

Taylor posits that a state's defence posture affects its propensity to outsource military support services.[138] Postures are defined by two key variables, namely the extent of a military's overseas presence, and the offensiveness of troops' operational orientation (either defence or power projection).[139] The more pronounced these two variables are, the more expansive a defence posture is considered to be, and the more likely a state should be to seek support from industry in the realisation of its desired posture because it demands a certain level of deployability and sustainability.[140]

This chapter therefore first identifies the expansiveness of US and UK grand strategies and global defence postures since the end of World War II. Additionally, this chapter examines the degree and sources of these postures' durability (or longevity). This is important because expansiveness creates high demands for military capability as is discussed in chapter III. A durable defence posture should thus stabilise demand and potentially lead to the entrenchment of the modes of supplying defence with the required capability to which industry and outsourcing are

[137] Martin Edmonds (1986), "Planning Britain's Defence, 1945–85: Capability, Credibility and the Problem of Time," in *The Defence Equation: British Military Systems. Policy, Planning and Performance*, ed. Martin Edmonds (London: Brassey's Defence Publishers), pp. 1–18, at p. 8.
[138] Taylor, "Contractors on Operations, Equipment Support", pp. 190–191. As chapter III shows, this is further heightened by the preference for high-tech warfare whose components mostly originate in private industry.
[139] Stacie L. Pettyjohn (2012), *U.S. Global Defense Posture, 1783-2011* (Santa Monica, CA: RAND Corporation), pp. xii–xiii.
[140] Cf. Taylor, "Contractors on Operations, Equipment Support", pp. 190–191.

currently integral. Moreover, a durable defence posture also has implications for a policy network's composition and selectivity, and thus for its likely outcomes. Actors who are involved in the defence policy process – ranging from current, prospective, and hopeful government employees to their private sector suppliers – situate themselves in relation to their country's defence posture. The more durable this posture is, the more constrained these actors' incentives should be to conform to the governing mainstream. This is because the chances of success of non-conformist views (including potential veto-players) should be lower in the face of a long-standing, well-established discourse and practice. Put differently, the longer a state maintains a very forward-leaning defence posture, the less likely policy-makers would be to succeed in their wish to turn to an isolationist posture because they would face a system that was built over decades to realise an expansive posture, including many people who rely on this posture for their jobs and livelihoods. As a result, change in a state's defence posture becomes incrementally less likely in the absence of veritable shocks that unsettle the status quo. By extension, if contractorisation is a possible consequence of an expansive posture, it should also become more entrenched the longer that posture persists.

Identifying a posture's longevity (and the sources of its longevity) in addition to its expansiveness is thus also important for later examinations of the politics, process, and the future of military outsourcing. In so doing, this chapter highlights that this fundamental driver of outsourcing is not a given but subject to constant renegotiation, even if the decades-long stability of defence posture may suggest that it can be taken as a constant given.

II. 1. The Security Environment: from Superpower Rivalry to Unipolarity

National security policy in the USA is about "formulating and implementing national strategy ... to create a favorable environment for US national interests".[141] British doctrine similarly states that the "security of the UK is rooted in perceptions of national sovereignty and interests and how these may be best protected and promoted."[142] The international security environment and its interpretation are thus key reference points for policy-makers.

With this in mind, the Cold War, in hindsight and in comparison to today, was an era of significant certainty as to the geopolitics and likely security threats in the world. According to Andrew Bacevich, "the era's great antagonisms – the United States vs. the Soviet Union, West vs. East, Free World vs. Communist bloc – told you pretty much everything you needed to know."[143] The West in general and the United States in particular built their strategies around variants of deterrence, with the Central Front in Europe – certainly intellectually – being *the* central locus of the confrontation, proxy wars and additional fronts elsewhere notwithstanding.[144] In the USA, despite following on a trajectory that witnessed the expansion of US global military presence since the late 19th century, the posture adopted after World War II was novel insofar as it entailed a large standing peacetime army.[145] It resulted from a new sense of vulnerability following Pearl Harbor and the view that the USA had to

[141] Sarkesian et al., *US National Security*, p. 4.
[142] UK Ministry of Defence, the Development, Concepts and Doctrine Centre (2011), *British Defence Doctrine. Joint Doctrine Publication 0-01*, 4th edn, (Shrivenham: UK Ministry of Defence, the Development, Concepts and Doctrine Centre), Sections 1–2, 1–3.
[143] Andrew J. Bacevich (2007), "Introduction," in *The Long War: a New History of U.S. National Security Policy since World War II*, ed. Andrew J. Bacevich (New York: Columbia University Press), pp. vii–xiv, at p. vii.
[144] See e.g. John Baylis (1986), "The Evolution of British Defence Policy, 1945–1986," in *The Defence Equation: British Military Systems. Policy, Planning and Performance*, ed. Martin Edmonds (London: Brassey's Defence Publishers), pp. 19–33; Lawrence Freedman (1999), *The Politics of British Defence, 1979-98* (Basingstoke: Macmillan); and Ken Booth (1983), "Strategy and Conscription," in *Alternative Approaches to British Defence Policy*, ed. John Baylis (London: Macmillan Press), pp. 154–190.
[145] Pettyjohn, *U.S. Global Defense Posture*, pp. xii–xiii.

assume a more forward posture in order to remain safe at home. By the time of the Korean War, the notion that a sustained overseas military presence was necessary had taken root in the US national security establishment.[146]

The United Kingdom shared this basic understanding of the international security landscape in principle. However, following World War II, Britain had to adapt to its changing power status, from a global to a *de facto* regional role. British foreign and defence policy also had the added element of colonies around the world. British defence policy-makers were therefore faced with two partly diverging loci demanding their attention,[147] which also manifested themselves in the tensions between advocates for a threat-based defence policy (in particular aimed at the Soviet Union) vs. a capabilities-based defence policy (aiming at a high degree of global power projection capability against diverse potential threats).[148] Accompanied by a debate that was marked by these two orientations, the UK over the course of the Cold War opted for the gradual reduction of its overseas military presence while aiming to maintain some level of home-based deployability.[149]

Ironically, it was the demise of the Soviet Union and Warsaw Pact that suddenly presented NATO and its member states' armed forces with an acute threat. Without an obvious enemy, militaries came under pressure to downsize while NATO had to present a credible mission to justify its continued existence.[150]

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[146] Ibid, pp. 49, 61.
[147] Cf. Baylis, "Evolution of British Defence Policy", pp. 19–22.
[148] See Stuart Croft, Andrew Dorman, Wyn Rees, and Matthew Uttley (2001), *Britain and Defence 1945-2000: A Policy Re-Evaluation* (Harlow: Longman), pp. 22–24.
[149] See Baylis, "Evolution of British Defence Policy", pp. 23–27; Keith Hartley (1997), "The Cold War, Great-Power Traditions and Military Posture: Determinants of British Defence Expenditure after 1945," in *Defence and Peace Economics*, Vol. 8, No. 1, pp. 17–35, at p. 19; and Croft et al., *Britain and Defence 1945-2000*, pp. 38–40.
[150] Jef Huysmans argues that NATO converted its military capital into humanitarian capital, "capital" being understood in the sense of Pierre Bourdieu's Theory of Practice. Cf. Jef Huysmans (2002), "Shape-Shifting NATO: Humanitarian Action and the Kosovo Refugee Crisis," in *Review of International Studies*, Vol. 28, No. 3, pp. 599–618, quoted in Trine Villumsen (2010), "Capitalizing on Bourdieu: Boundary-Setting, Agency, and Doxic Battles in IR", *Paper presented to Dansk Selskab for Statskundskab, 4-5 November 2010,* p. 6.

II. 2. Interpreting the Security Environment: Grand Strategy and Global Defence Posture

The response to the end of the Cold War entailed the further expansion of defence postures. This was justified by the increasingly expansive and global definition and perception of security risks that were to be addressed pre-emptively and preventively with military means.[151] Inaction was viewed as potentially riskier than (possibly premature or illegal) military action, and strategic concepts like "preventive defence" proliferated. Western states shifted their attention from territorial, state-based threats to the defence of legal norms and insecurities arising from "failed", "failing", or "fragile" states.[152] "Uncertainty", as the following discussion illustrates, became the key qualifier of official defence strategies and reviews.

II. 2. i. The Scope and Mainstays of Contemporary U.S. Grand Strategy and Defence Posture

From the late 1980s until the mid-1990s efforts by policy entrepreneurs from both parties led to the emergence of "a new strategic consensus" among US defence policy-makers that required "the US to have the military capabilities to fight and win two major theatre wars simultaneously" as well as maintain "overwhelming … military power to guard against the emergence of a future peer competitor".[153] The USA, in other words entered the unipolar era assuming a posture of primacy, regardless of which party or administration was governing. Measured by Pettyjohn's two variables of the extent of overseas military presence and the operational orientation of troops, contemporary US posture – called "expeditionary defense in

[151] Christopher Coker (2002), *Globalisation and Insecurity in the Twenty-First Century: NATO and the Management of Risk*, Adelphi Paper, Vol. 345 (Oxford: Oxford University Press), pp. 27, 33-37, 54.
[152] Ibid, pp. 54, 59-64. The 2002 US National Security Strategy and the 1998 UK Strategic Defence Review epitomise the shift from threats to risks. See U.S. White House (2002), *The National Security Strategy of the United States of America* (Washington, D.C.: White House) and UK Government (1998), *Strategic Defence Review* (London: The Stationery Office).
[153] Alexandra Homolar (2011), "How to Last Alone at the Top: US Strategic Planning for the Unipolar Era," in *Journal of Strategic Studies*, Vol. 34, No. 2, pp. 189–217.

depth" – thus scores high on both counts; it comprises an expansive (and expanding) military presence overseas that is moreover increasingly geared towards power projection at short notice in potentially far-away theatres rather than in the bases' more proximate environs.[154]

The following survey of relevant government policies and sources shows that this consensus was maintained to this day. Moreover, it highlights the overwhelming cross-party agreement in the USA's governing bodies and foreign and defence political establishment that the national interest extends across the globe, requiring the USA to assume responsibility for security and stability across the world and to assume global leadership in the absence of fully effective international security regimes. First of all, both Presidents Bush, Sr. and Clinton presided over basing reviews in the 1990s that – despite seeking to generate savings known as the "Peace Dividend" – argued that the USA must maintain a significant overseas forward presence.[155] Retreating after the disappearance of the Soviet Union would have had historical precedents, but the uncertainty as to where future threats and contingencies may arise led the USA to adopt a line of 'better safe than sorry' and maintain a massive overseas presence that keeps expanding with the growing number of perceived threats, low-intensity conflicts, and other operations across the globe.[156]

Successive Quadrennial Defense Reviews (QDR), National Security Strategies (NSS), and Defense Guidances then affirmed what came before them and went on to further reinforce the fundamental beliefs in the need for US global leadership to favourably shape the world, the need for US military superiority, and high-intensity activism to reassert both. To begin with, the 1997 QDR rested "on two fundamental

[154] Cf. Pettyjohn, *U.S. Global Defense Posture*, pp. xii–xiii, 83.
[155] Ibid, p. 83.
[156] On the USA's ongoing expansion in Africa for instance, see Nick Turse (2012), "America's Shadow Wars in Africa," in *Tom Dispatch* (2012), accessed 10 December 2013, available at http://www.tomdispatch.com/blog/175567/.

assumptions: that the United States will remain politically and militarily engaged in the world over the next 15 to 20 years, and that it will maintain military superiority over current and potential rivals". It concluded that if the USA "were to withdraw from its international commitments, relinquish its diplomatic leadership, or relinquish its military superiority, the world would become an even more dangerous place, and the threats to the United States, our allies, friends, and interests would be even more severe."[157] Then-Secretary of Defense William Perry noted that the USA for the long term had to "continue to shape the strategic environment to advance U.S. interests, maintain the capability to respond to the full spectrum of threats, and prepare now for the threats and dangers of tomorrow and beyond."[158] For Perry this followed from "the inescapable reality that as a global power with global interests to protect, the United States must continue to remain engaged with the world, diplomatically, economically, and militarily."[159] In so doing, the USA – once in combat – did "not want a fair fight … but capabilities that will give [it] a decisive advantage."[160]

One year later, the 1998 NSS, despite explicitly rejecting the role of world policeman, identifies a range of threats of such breadth that inadvertently obliges the USA to that role.[161] The military is assigned a central role in shaping the international environment so as to "protect and promote U.S. interests" by virtue of its overseas presence and access to important lines of communication, its technological

[157] U.S. Department of Defense (1997), *Report of the Quadrennial Defense Review* (Washington, D.C.: U.S. Department of Defense), Section II, last paragraph.
[158] Ibid, Secretary's Message.
[159] Ibid.
[160] Ibid.
[161] These threats included regional and state-centred threats, failed states, various criminal activities, terrorism, the development and spread of capabilities to foreign intelligence agencies, and the proliferation of weapons of mass destruction. U.S. White House (1998), *A National Security Strategy for a New Century* (Washington, D.C.: White House), p. 6.

sophistication, security assistance, defence cooperation, and serving as a role model to other nations.[162]

Although uncertainty had already been a hallmark in earlier papers, the 2001 QDR stated as a "central objective" the shift from a threat-based to a capabilities-based approach to defence planning. It thereby affirmed the de-territorialisation of its strategic and operational focus "on how an adversary might fight rather than specifically whom the adversary might be or where a war might occur."[163] It emphasises that ultimately "U.S. military strength is essential to achieving" peace, freedom, and prosperity.[164] By addressing the threats to the "[vitality] and productivity of the global economy" on land and sea, and in air, space, and cyberspace,[165] the US defence enterprise would by necessity be involved on a global scale. This outlook moreover leads to a key requirement discussed in the next chapter: full-spectrum technological and operational dominance. The 2002 NSS completed and memorialised this turn by refining the deterritorialisation. On the one hand the USA was combating borderless *global* terrorism, while on the other specific threats emanated from "failed" and "failing" states. As these failed states were similarly spread across the globe, anything but a global posture and the reiteration of global leadership was unthinkable.[166] Fittingly, and foreshadowing what in the 2006 QDR came to be called the "Long War", the 2002 NSS carried the following quote from a speech by President Bush three days after 9/11. The USA's "responsibility to history is already clear: to answer these attacks and rid the *world* of evil. ... The conflict was begun on the timing and terms of others. It will end in a way, and at an hour, of our choosing."[167]

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[162] Ibid, pp. 12, 26.
[163] U.S. Department of Defense (2001), *Report of the Quadrennial Defense Review* (N.A.: U.S. Department of Defense), p. 4.
[164] Ibid, p. 1.
[165] Ibid, p. 2.
[166] US White House, *2002 NSS*, pp. 1–2.
[167] Ibid, p. 5, emphasis added.

The 2006 QDR further vindicated the global stretch not only of US responsibilities, but also of more overtly direct influence on other states. To operationalise the NSS of that year the USA sought to "[shape] the choices of countries at strategic crossroads."[168] Countries could either join the USA or "choose a hostile path",[169] language that resembles what Münkler identifies as a quality of imperial politics: the impossibility of neutrality.[170] In this case it seemingly incorporates the goal of preventing the rise of peer-competitors.

Despite expectations to the contrary, this posture persisted through the first administration of President Barack Obama. On the one hand, Obama's first NSS in 2010 was "consistent with its predecessors in its definition of American interests, its stress on the need for continued U.S. global leadership, the importance of American values in its foreign policy, and in its unwillingness to face the hard choices that limited means entail".[171] On the other hand, while it may have differed in its more complex description of threats, a general preference for multilateralism and for influencing the world by example rather than through military might,[172] the first Obama administration conducted an expansive foreign policy which ultimately did not lead to a single lasting legacy but rather entailed the (mostly necessary) continuation and conclusion of inherited wars and initiatives.[173] This is despite its desire to strengthen its national capacity by adopting a "whole of government approach" which would give more weight to diplomacy.[174] While the 2010 QDR thus

[168] U.S. Department of Defense (2006), *Quadrennial Defense Review Report* (Washington, D.C.: Department of Defense), p. 27.
[169] Ibid.
[170] See Herfried Münkler (2005), *Imperien: Die Logik der Weltherrschaft. Vom Alten Rom bis zu den Vereinigten Staaten*, 2nd edn, (Berlin: Rowohlt), p. 30.
[171] Christopher Hemmer (2011), "Continuity and Change in the Obama Administration's National Security Strategy," in *Comparative Strategy*, Vol. 30, No. 3, pp. 268–277, at p. 268.
[172] Ibid.
[173] Cf. Stephen M. Walt (2012), "Looking Back and Looking Forward," in *Foreign Policy* (2012), accessed 5 January 2013, available at http://walt.foreignpolicy.com/posts/2012/12/28/looking_back_and_looking_forward.
[174] U.S. White House (2010), *National Security Strategy* (Washington, D.C.: White House), pp. 14–16. Rather than increasing the role of diplomacy, some argue that the regained clout of the State Department is rather a result of the militarisation of its own practices. This will be

slightly realigned US defence posture to focus more on burden-sharing and cooperation, it left intact the basic tenets of maintaining a long-term military presence overseas and an ability to flexibly "respond to contingencies ... and global security needs in distant theatres".[175] Like its predecessors it illustrated the shift from threats to harnessing capabilities of deterritorialised risk mitigation covering the full range of areas noted above.[176]

Finally, on 5 January 2012, President Obama signed a Defense Strategic Guidance entitled "Sustaining U.S. Global Leadership: Priorities for 21st Century Defense."[177] The name in itself a testament to the self-assigned role and self-image of the USA, it perceives the same range of general challenges and promises active rather than reactive responses to these issues. Moreover, despite the extreme budgetary and fiscal problems at the time that the guidance explicitly acknowledges, it states that the USA will safeguard its economic and security interests in East and South Asia by "*of necessity [rebalancing] toward the Asia Pacific region,*"[178] and affirming more generally that "there should be no doubt" that the USA will maintain its forces to remain the superior fighting force in the world.[179] The term "necessity", like the guidance's title, highlights the seemingly self-evident logics of US defence thinking, letting the underlying beliefs which frame strategy formulation become abundantly clear. Brooks captures this in the quote that "[most] Americans think of peace as a time in which the military is more or less irrelevant. But to the military, it is merely 'Phase Zero' … on the … 'spectrum of conflict.'"[180] It is therefore unsurprising that the Chief of

discussed in chapter V. For a controversial account cf. Peter van Buren (2011), *We Meant Well: How I Helped Lose the Battle for the Hearts and Minds of the Iraqi People* (New York: Metropolitan Books) and his website wemeantwell.com.

[175] U.S. Department of Defense (2010), *Quadrennial Defense Review Report* (Washington, D.C.: Department of Defense), pp. 63–64.

[176] See ibid, p. 15.

[177] U.S. Department of Defense (2012), *Sustaining U.S. Global Leadership: Priorities for 21st Century Defense* (Washington, D.C.: U.S. Department of Defense).

[178] Ibid, p. 2, emphasis in the original.

[179] Ibid, Foreword.

[180] Rosa Brooks (2014), "Portrait of the Army as a Work in Progress," in *Foreign Policy*, No. 206 (May/June), pp. 42–51, at p. 46.

Staff of the U.S. Army similarly found that the Army, while facing declining budgets, must broaden its operational focus and improve its "readiness to respond in force to a range of complex contingencies worldwide."[181] This call for increased readiness – published in the widely circulated *Foreign Affairs* – came at a time when the US military was still deployed in large numbers to Afghanistan, had fought an air war in Libya, and conducted covert campaigns throughout the Middle East, North Africa, and South Asia, leaving the reader to wonder what more the US government expects its forces to be able to deliver on the strategic level. Be that as it may, the US Army shifted the emphasis in its training to meet the demands of African and Pacific theatres of operation, suggesting that the USA swiftly set about implementing the pivot on the operational and tactical levels.[182]

Throughout the post-Cold War era, the USA has thus maintained and further expanded its global defence posture, predicated on a grand strategy that assigns the country a leadership role in the world as a force for prosperity, peace, and security. Consequently, it regards as its key tenets a rapid, globally deployable, and militarily superior capability to project force to both continue its perceived positive influence and prevent the rise of peer competitors. Faced with recurring financial pressures, defence policy-makers kept as their top priority the maintenance of this very forward-leaning posture and relegated cost-cutting to second place.[183] The next section examines the reasons for this durability.

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[181] Raymond T. Odierno (2012), "The U.S. Army in a Time of Transition: Building a Flexible Force," in *Foreign Affairs*, Vol. 91, No. 3, pp. 7–11, at p. 7.

[182] Michelle Tan (2013), "New Training Documents Focus on Africa, Pacific," in *Army Times* (2013), accessed 12 December 2013, available at http://www.armytimes.com/article/20130615/NEWS/306150003/New-training-documents-focus-Africa-Pacific.

[183] The "sequester" of the US defence budget notwithstanding, the levels the budget will likely be cut back to are those of fiscal FY2007, when the USA had just surged its troop numbers in Iraq and was simultaneously engaged in Afghanistan. While doubtlessly high, these cuts cannot be considered as dramatic as critics suggest.

II. 2. ii. The Durability of U.S. Grand Strategy and Defence Posture

As noted, I argue that a more permanent posture more strongly incentivises actors to remain within the mainstream, possibly reduces the presence of veto-players, and certainly makes strategic realignment increasingly unlikely in the absence of shocks that would unsettle the three contextual levels (transnational/international, national, domain-specific). Ultimately, this means continuity not only of strategy and posture, but also of the military requirements to implement them and thus of military services contracting. The following therefore elucidates the ideational, structural, and agential factors that perpetuate US grand strategy and global defence posture, including contractors themselves. By expanding the analysis beyond the mere observation of expansive strategy and military posture to identifying the sources of their longevity, this study does not take them as givens (as the literature has tended to do) but underscores that they are contingent on continuous reproduction by a large network of interested actors. In so doing, it develops an understanding of the links between strategy, posture, and pro-contracting advocacy, i.e. the degree to which contractors and their advocates directly and indirectly participate in shaping the very strategy and posture which are fundamental to continued military outsourcing. Importantly, these sources of continuity are also potential sources of change in the future of contracting.

In the view of Andrew Bacevich, one of the most discerning scholars of the grand narratives of US national security policy, the trajectory towards a more expansive posture and interventionism and its remarkable continuity are results of a fundamental ideational force. To him, it adhered to an imperial grand strategy of global openness that is aimed at the trade of goods and the movement of people and resources;[184] the centrality of the global economy in the official documents surveyed

[184] Andrew J. Bacevich (2002), *American Empire: The Realities and Consequences of U.S. Diplomacy* (Cambridge, MA: Harvard University Press), pp. 2–3.

above vindicates this view. Bacevich locates this strategy's origins long before the Cold War. He writes that it is viewed as benign and enlightened in the eyes of its architects. However, as the acquiescence of overseas subjects is not assured, the maintenance, further development, and use of military power become integral to US grand strategy.[185] These interpretations are in line with Münkler's masterful definition of empires as "more than large states" that "regard themselves as creators and guarantors of an order which ultimately depends upon them" and are legitimised by an imperial mission that may require force for its maintenance.[186] This ideational interpretation resonates closely with the government papers surveyed above.

This long-standing, ideational grand strategic consensus is a powerful but not a sufficient explanation for the durability of US grand strategy and posture. In line with the literature surveyed above, it operates in tandem with the defence economic and political structures which together generate incentives that actors then pursue within the policy network. The defence establishment in the USA, like most systems, is not structured to encourage dissenting or fundamentally self-scrutinising activities. If anything, it is geared towards fine-tuning and 'improving' the running defence political machinery and benefiting from the stable revenue streams and employment opportunities that it generates, but not towards questioning its basic premises. This extends even to the highest levels of government.

Cathy Downes, viewing the above from the perspective of its institutionalisation within government structures, summarises it as unintentional militarisation. While the military over the course of the Cold War became "the most available, mission-capable, and well-funded [instrument] of US national power", civilian agencies lack funds, staff, and appropriate institutional capacities and structures to cope with challenges. This is self-perpetuating in that when a crisis arises the reflex will be the "disproportionate reliance … upon the military instrument

[185] Ibid, p. 3.
[186] Münkler, *Imperien*, p. 8. Quotes translated by this author.

as a one-size-fits-all preventive, pre-emptive tool of diplomacy".[187] There is much evidence to support this observation of the reciprocal relationship between defence political structures and agency. The following highlights how these structures generate incentives for individuals to support the maintenance, further development, and use of the military instrument of power. It examines governmental advisory bodies, security debates in Washington, D.C., and formal advisory contracts for private contractors. They all highlight that the government largely sets the tone and rules, so that strategy and posture are likely to persist until a significant part of the government establishment alters its fundamental assumptions.

Within the confines of government, Defense Science Board (DSB) and Defense Business Board (DBB) studies are powerful illustrations of the incentive and in fact the responsibility to maintain and improve the existing structures and systems.[188] Their charters are illustrative of the fundamental assumptions and concerns of the governmental defence leaderships, i.e. what is viewed as given, and stand for the direction in which a given President, Secretary of Defense, and/or various Under Secretaries of Defense (USD) – usually that of Acquisition, Technology, and Logistics (AT&L) – (wish to) see defence capabilities evolving. A recent example is a DSB study that was ordered following the release of the 2012 Defense Guidance. The DSB was "requested to conduct a study of emerging technologies that will enable the next generation of dominant military capabilities to be in development or fielded by 2030."[189] In other words, it is tasked with identifying technologies which fulfil the

[187] Cathy Downes (2010), "Unintentional Militarism: Over-reliance on Military Methods and Mindsets in US National Security and its Consequences," in *Defense & Security Analysis*, Vol. 26, No. 4, pp. 371–385, at pp. 372–373. On US militarism see also Andrew J. Bacevich (2005), *The New American Militarism: How Americans Are Seduced by War* (New York: Oxford University Press).

[188] The Defense Policy Board unfortunately does not make its deliberations or advice public; otherwise it would have been an even more powerful source.

[189] U.S. Department of Defense, Office of the Under Secretary of Defense (Acquisition, Technology, and Logistics), Defense Science Board (2012), "Terms of Reference - Defense Science Board Study on Technology and Innovation Enablers for Superiority in 2030", Memorandum for Chairman, Defense Science Board (Washington, D.C.: Department of

guidance's title and goal of "sustaining US global leadership". The Commission on Roles and Missions of the Armed Forces (CORM) in 1995 had similarly departed from the basic assumption of the superiority of the US armed forces at the time, the widening variety of missions the US will conduct in the future, the growing importance of new technologies and weapons systems for success in those missions, and that all of the above must be accomplished with limited defence budgets. Its findings suggested a reorganisation of roles and missions and extensive contractorisation,[190] while by extension the unquestioned goal remained the maintenance of superiority and full-spectrum dominance. Numerous other examples discussed in later chapters provide further support for the assumption that inward-looking scrutiny is aimed at improving the performance of the defence enterprise under fiscal pressures. It does not aim to question the basic premises upon which it operates and which generate the high expenses in the first place.

Beyond government, given the huge number of participants in 'Beltway-chatter',[191] it is typically not possible to credit one individual expert or publication with having had a major impact on policy. What each of these however may contribute is the support or opposition to political views and/or policy proposals which may, in masses, tilt the scales in one direction or the other. Since processes of change often take a decade or more,[192] Beltway-chatter must be maintained over extended periods of time if it is to have an impact and contribute to the desired outcome.

Defense), accessed 22 November 2012, available at http://www.acq.osd.mil/dsb/tors/TOR-2012-03-15-Summer_Study_2012.pdf.

This specific task force also illustrates the role that technology plays in US grand strategy, a facet that will be explored in more depth in later chapters.

[190] U.S. Department of Defense, Commission on Roles and Missions of the Armed Forces (1995), *Directions for Defense: Report of the Commission on Roles and Missions of the Armed Forces* (Arlington, VA: U.S. Department of Defense), Preface.

[191] The "Beltway" is a road running around Washington, D.C. It is used as a shorthand to describe the capital area, including its actors, discourses, and practices, and is often viewed as a self-contained and self-involved "bubble" with little regard for the rest of the country.

[192] Cf. Sabatier, "Better Theories", pp. 3–4.

Think tanks, for instance, are a salient feature of the Beltway. Daniel Gouré, a vice president at the Lexington Institute observes that "a lot of the way the DOD community – OSD [Office of the Secretary of Defense], the [Armed] Services, even the intelligence leadership – access think tanks is based upon the politics of the issue."[193] Even though think tanks are rarely entirely non-partisan, they are commonly not formally associated with a political party; Heritage (Republican Party) and the Center for a New American Security (CNAS, Democrats) are two partial exceptions.[194] Proximity to decision-makers, unsurprisingly, gives any non-governmental actor's report significantly more potential to impact on policy.[195] Successful impact on policy is particularly likely when their members revolve back and forth between government and the private sector in the Beltway, when the tasking has come from somebody with decision-making authority, or when it is directly tied to a policy issue that is currently hanging in the balance.[196] Such a revolving door can create a bureaucratic dynamic where DOD employees, cognisant that several serving Under, Deputy, or Assistant Secretaries come from certain think tanks, forward a study from those organisations to their superiors regardless of the merit of the individual study. Similarly, significant policies are routinely rolled out in think tanks. The International Institute for Strategic Studies (IISS), for instance, is credited as the main "clearing

[193] Personal interview with Dr Daniel Gouré. Vice President of the Lexington Institute. Lexington Institute, Arlington, VA (06 June 2012). The Lexington Institute is a think tank with close ties to defence contractors (among others).

[194] As Gouré put it, "Let's be honest about this: the notion that there are truly non-partisan, totally objective, chips-fall-where-they-may think tanks is bullshit." Ibid.

[195] *Foreign Policy* and *Foreign Affairs* are two such relevant publications regarding strategy and large-scale acquisition and force structure policy; policy-makers up to the highest levels publish papers there, illustrating the role the journals plays in Beltway debates, see e.g. then-candidate Barack Obama (2007), "Renewing American Leadership," in *Foreign Affairs*, Vol. 86, No. 4, pp. 2–16. Mitt Romney published in the same issue.

As Daniel Gouré of the Lexington Institute noted in an interview, "If it appears in Wall Street Journal, New York Times, Foreign Affairs ... it will get noticed [among policy-makers]. But unless they have a specific reason to have staff hunt it down [in trade or other special publications], the only people who read that kind of stuff are the people who already are in that stovepipe." Personal interview with Daniel Gouré.

[196] Ibid. This is an under-appreciated part of the revolving door phenomenon which typically focuses on the movement between government and industry or consultancy firms.

house" of Western policy in East Asia through the Shangri-La dialogue.[197] Access to and potential influence at the strategic level are therefore partly skewed in favour of particular organisations with long-standing contacts, confirming the value of access to decision-makers.

Importantly, none of these dynamics generate significant opportunities, let alone incentives to challenge conventional thinking so as to question the fundamentals upon which these organisations operate. This is not least so because these public offices, that were shown earlier not to scrutinise the basic premises of their operations, set the tone of the debate by floating policies rather than being reactive to outside input. Several sources from the US Department of State with experience in dealing with other US government departments, the legislature, and foreign representatives agreed that while think tanks and similar organisations may inform some of the thinking within the department, they are only one of many voices being heard. Most of the conversation occurs within the department and with DOD, Congress, and US embassies. Outside organisations are much more relevant in Congress, where their members testify regularly,[198] but Congress no longer has a prime presence, certainly not an effective one, on the strategic level of national security policy-making.[199] Thus, with Congress more susceptible to outsiders but relatively irrelevant, and the executive determining the framework for outside input, external organisations' potential lobbying efforts for significant realignments of strategy or posture would be unlikely to succeed.

While the above mostly concerns the macro-level of defence discourses within the Beltway, private sector organisations are also directly contracted to provide strategic advice to decision-makers. Although such studies are of course not

[197] Personal interview with anonymous. UK Ministry of Defence source. UK Ministry of Defence, London (2013).
[198] Personal interview with anonymous. U.S. State Department sources with intimate knowledge of inter-agency process. Washington, D.C. (2013).
[199] Cf. Kay King (2010), *Congress and National Security*, Council Special Report No. 58 (New York: Council on Foreign Relations).

the only basis for decision-making of the respective government agencies, the strategic use of specific organisations for such purposes should nonetheless be kept in mind as a potential avenue for affecting policy. The fact that such 'contracting for ideas' occurs through the same channels as contracting for military services is indicative of two key points that this paragraph seeks to underscore: the general openness of government to outside advice, and the fact that government sets the baselines and fundamental objectives for outside consultancy. Two examples shall illustrate this point. First, the U.S. Army feared that the "pivot" to Asia, the closer focus on AirSea Battle, and the fiscal climate would reduce its role and size. It issued a tender for a study that shall identify how this strategy may lead to "strategic shock" in order to advocate government to rethink.[200] Secondly, the Office of the USD for Policy and Readiness ordered a study on US overseas basing demanding the development of a toolbox to assess the impact of realignment.[201] One of its authors was Gene Porter, the deputy director of the CORM. While clearly intended to inform strategy, the fundamental premise – overseas presence as part of US grand strategy – was set by DOD.

Such studies are tendered based on the contracting organisations' interests, and these are inherently about self-preservation within the larger policy domain. Analysts in think tanks and consultancies such as the RAND Corporation have become considerably circumscribed in their academic freedoms since the end of the Cold War. Their academic work is managed in commercial manners. As a result there remains

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[200] U.S. Department of the Army, Army Contracting Command (2013), "B--Strategic Shocks Relevant to the New Strategic Guidance & US Ground Forces and Operational and Future Challenges Risk," Solicitation Number: W911S0-13-STUDIES, 28 February 2013 (MICC Center - Fort Eustis), accessed 12 December 2013, available at https://www.fbo.gov/index?s=opportunity&mode=form&tab=core&id=2eb8c365403785e1a0997b0781b69693.

Cf. Spencer Ackerman (2013), "Armchair Generals Wanted: Army Outsources Criticism of New Defense Strategy," in *Wired* (2013), accessed 5 March 2013, available at http://www.wired.com/dangerroom/2013/03/army-shock.

[201] James S. Thomason, Robert J. Atwell, and Robert Bovey, et al. (2002), *Transforming US Overseas Military Presence: Evidence and Options for DoD* (Alexandria, VA: Institute for Defense Analyses).

little ability to act beyond the structures set by the field of study that is dominated by DOD. In the case of RAND, but also more generally, their activities are directly related to the vehicles of the international projection of US power.[202] The durability of the current posture should therefore not be expected to be substantially challenged through this avenue either.

It should be noted that the service contractors to be examined in later chapters are not those primarily involved in the cases above. More generally, interested actors whose core business is not strategic debate are mostly reactive to government's decisions and hence remain in their niche. Therefore, even lobby groups whose members depend on high levels of defence spending generally refrain from participating in such debates. This is not least because there are enough think tanks, writers, and strategic practitioners (partly business-friendly and industry-funded) who work to steer the debate in such a way that argues for a maintenance of the expansive posture that is a key source of revenue for industry and thus contracting. As long as a debated strategic switch is not seen to pose an existential threat to industry it would therefore be an unnecessary reputational risk for industry to overtly argue for policies that generate profits for themselves and their members. The President and CEO of the largest government contractor trade group PSC (Professional Services Council) and the general counsel of the main acquisition and good government NGO POGO (Project on Government Oversight) confirm as much. POGO does not question the strategic rationale which led to contracting-related problems but rather the technical practice of contracting and oversight while the PSC argues that contractors or others from the private sector would not be involved in high-strategic decision-making even if they wanted to.[203]

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[202] Jean-Loup Samaan (2012), *The RAND Corporation (1989-2009): the Reconfiguration of Strategic Studies in the United States* (New York: Palgrave Macmillan), pp. 159–167.

[203] Personal interview with Stan Soloway. President and CEO of the Professional Services Council, formerly Deputy Under Secretary of Defense for Acquisition Reform. Professional Services Council Offices, Arlington, VA (20 April 2012), and

This line however remains fine as later chapters reiterate – the strategic level is not entirely out of bounds. The PSC has disagreed with officials over policy decisions that the PSC believes would "impact the mission." One example is the case of commercial items acquisition about which Soloway said that "I cannot swear what the impact on direct overseas missions is, but in terms of DOD's mission writ large, we think that would have a huge impact on it."[204] Also, the decision on whether or not to intervene, for instance, would not involve contractors or other interest groups, but it may well be informed in terms of what can be accomplished.[205] It is evidently difficult to separate an operation from the consideration of its doability. Nonetheless, their direct impact should be small compared to those whose core competency is strategic debate and advice. In fact, given the size and scope of the defence enterprise and strategic debate, even top-level government representatives remain within their niche. Jacques S. Gansler, while serving as USD (AT&L), had no substantial say on defence strategy as such but rather on how defence-industrial and acquisition policies and practices related to it.[206] Even on that senior level strategy is broadly taken as a given by those not directly tasked with formulating it.

And yet, industry has an immeasurable indirect impact by keeping business interests in decision-makers' minds and by basing their business advocacy on a continuation of the strategic trajectory. By suggesting that 'the economy' is operating on the assumption of continuity, strategic realignments may acquire high political costs for decision-makers. The aftermath of the withdrawal from Iraq is a case in point. By pointing to Africa as a new market, industry and its advocates reinforce a

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Personal interview with Scott Amey. General Counsel at the Project on Government Oversight (POGO). POGO Offices, Washington, D.C. (01 May 2012).

[204] Personal interview with Stan Soloway.

Other important exceptions include the role of support services giant KBR in the run-up and throughout the 2003 Iraq War, that is discussed in more detail in chapter VI.

[205] Ibid.

[206] Personal interview with Dr. Jacques S. Gansler. Former Under Secretary of Defense for Acquisition, Technology and Logistics, now Holder of the Roger C. Lipitz Chair in Public Policy and Private Enterprise. University of Maryland, College Park, MD (23 April 2012).

surging view that Africa requires sustained political and military attention.[207] The networked nature of the domain means that even service contractors have indirect channels to affect such thinking. The PSC, for instance, represents services contractors on the one hand, and closely interacts with a number of think tanks, especially the renowned Center for Strategic and International Studies (CSIS). CSIS's senior vice president David Berteau among others directs the Defense-Industrial Initiatives Group, is an adjunct professor at Georgetown University, a director of the Procurement Round Table, and has served in DOD under four separate Secretaries of Defense.[208] PSC thereby contributes to the entrenchment of the governing strategic and economic practices which, as was repeatedly noted, are closely intertwined in driving outsourcing. At the same time, the strategic rationale represents a fundamental driver of military outsourcing while the belief in the merit of core competency, best business practices, and managerialism further accelerate it as the next chapter shows. They thus indirectly feed back into strategic deliberations by communicating support for and the feasibility of realising the expansive strategy and posture as posited by the government. In line with the "technologisation" and de-politicisation of defence, this occurs without overt input on high policy, but rather by advising on acquisition, technology, and capability.

In summary, neither severe budgetary constraints nor the strategically often disappointing performance in recent wars led the US defence political establishment to rethink the expansive posture and the concomitant military requirements. When faced with budgetary pressures, the reduction of global defence posture and

[207] See Lawrence Delevingne (2008), "Defense Contractors' Growing African Business," in *Bloomberg Business Week* (23 October 2008), accessed 20 April 2014, available at http://www.businessweek.com/stories/2008-10-23/defense-contractors-growing-african-businessbusinessweek-business-news-stock-market-and-financial-advice.

This was also confirmed in the personal interview with Stan Soloway.

[208] See Center for Strategic and International Studies, "David J. Berteau," in *Center for Strategic and International Studies*, accessed 12 December 2013, available at http://csis.org/expert/david-j-berteau.

reappraisal of military commitments were never on the official agenda. This was the case throughout, be it the CORM, the "Pivot to the Pacific", or the broader role of various research or advocacy organisations. Regarding the pivot, for instance, rather than see an opportunity to reduce defence spending after the withdrawal from Iraq and Afghanistan, policy-makers saw resources freeing up that could be spent on the pivot to face an increasingly assertive China.[209] The expansive strategy and posture are thus structural, systemic features of the defence policy process and as such are geared toward reproducing, not challenging the system. Only a "shock" could unsettle this deeply enmeshed, networked dynamic that produced and reproduces them.

II. 2. iii. The Scope, Mainstays, and Durability of UK Grand Strategy and Defence Posture

The UK displays both similarities and differences in comparison to the USA regarding its grand strategy and posture. Much like the USA, the UK pursues several activist and internationalist security objectives besides homeland defence. These include "[shaping] a stable world, by acting to reduce the likelihood of risks affecting the UK or our interests overseas, and applying our instruments of power and influence to shape the global environment and tackle potential risks at source."[210] Moreover, the 2010 Strategic Defence and Security Review (SDSR) acknowledges the uncertainty of international security. Not unlike the United States' respective documents, it states that the UK should assume a more preventive attitude to conflicts, maintain capabilities across a wide spectrum, and be able to project them globally.[211] While this suggests a forward-leaning posture and grand strategy, their history since the end of World War II displays one significant difference to the USA:

[209] See the excellent report on the "pivot" by Mark E. Manyin, Stephen Daggett, and Ben Dolven, et al. (2012), "Pivot to the Pacific? The Obama Administration's 'Rebalancing' Toward Asia," in *Congressional Research Service*, No. R42448, at pp. 1–3.
[210] UK Government (2010), *Securing Britain in an Age of Uncertainty: the Strategic Defence and Security Review* (London: The Stationery Office), pp. 9–10.
[211] Ibid.

acceptance to downscale the global presence and commitments in response to resource pressures, and to more closely engage with and rely on allies, in particular the USA. This has several consequences that are relevant to later chapters. The UK focuses much more exclusively on its military than more broadly on the well-being of the defence-industrial base. This increases its willingness to outsource for its own armed forces but lowers its willingness to spend for the primary benefit of others.

The most obvious difference is that of scale. Even though the UK interprets international security similarly, and envisages a similar role to that of the USA, it can only deliver on a much smaller scale. The overall size of the UK defence enterprise – budget, reach, and capability – is significantly smaller than that of the US, both in absolute and in relative terms. UK defence spending in fiscal year (FY) 2011 represented 8.7% of central government spending, £45.7 billion (approx. $73 billion),[212] while in the USA for FY2011 the budget was an estimated $718.8 billion, representing 18.75% of the federal budget (i.e. more than double the UK ratio) and even 60.7% of federal discretionary spending.[213] The size of the armed forces differs similarly, comprising approximately 176,000 service personnel in the UK and 1.43 million in the USA as of 2012.[214]

Since the USA, with a defence enterprise roughly seven times the size of the UK's in terms of manpower and funding, already regularly finds that its resources are stretched thin to sustain its global defence posture, it should not come as a surprise that this is much more acute in the UK. The history of British defence policy since the end of World War II is one of repeated attempts to do arguably too much with too

[212] UK Public Spending, "UK Central Government and Local Authority Spending 1692-2016 - Charts," in *UK Public Spending*, accessed 14 December 2013, available at http://www.ukpublicspending.co.uk/year_spending_2011UKbn_12bc1n_3033#ukgs302.
[213] U.S. Office of Management and Budget (n.d.), *Budget of the US Government, FY 2011: Summary Tables* (U.S. Government Printing Office).
[214] Armed Forces, "Total British Armed Forces," in *Armed Forces*, accessed 9 January 2013, available at http://www.armedforces.co.uk/mod/listings/l0003.html,
and U.S. Department of Defense, Statistical Information Analysis Division, "Active Duty Military Strength Report for November 30, 2012", accessed 14 December 2013, available at http://siadapp.dmdc.osd.mil/personnel/MILITARY/ms2_1211.pdf.

little, of cyclical crises and defence reviews, and consequently of strategic adjustments.[215] The following examines the gradual strategic realignment over the course of the Cold War and after.

According to Hartley, to some observers "the failure of the Suez invasion … confirmed the end of any illusions about Britain's real international status".[216] As a result, the UK adopted a "short war" doctrine that focused on nuclear capabilities at the expense of conventional forces, and planned to maintain most bases in or near the UK and sending backup via sea lanes. Moreover, it aligned more closely with the USA by establishing the "special relationship", eventually becoming dependent on the USA for its nuclear capability.[217] Nonetheless, there still remained a gap between this new orientation and the available resources because the reduction in conventional capabilities occurred without a parallel reduction in military commitments of equal scope. The withdrawal from East of Suez that was decided in the late 1960s was yet another attempt to align military capacities and commitments.[218]

The proximity to the USA and the incremental downscaling of UK posture and capabilities are permanent characteristics of this process. Desiring a great power role, the UK is not oblivious to the limitations of its capacities and accepted to limit its overseas military presence and the size of its armed forces. It sought economies of scale not only in procurement but also by increasingly relying on allies. The 2010 SDSR accordingly announced that the UK would pursue an "overarching approach which ... strengthens the mutual *dependence* with key allies and partners who are willing and able to act".[219] Doctrine similarly acknowledges these fundamentals.[220]

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[215] Cf. Croft et al., *Britain and Defence 1945-2000*.
[216] Hartley, "Determinants of British Defence Expenditure", p. 19.
[217] Baylis, "Evolution of British Defence Policy", pp. 23–27.
[218] Self, *British Foreign and Defence Policy since 1945*, pp. 164–165.
[219] UK Government, *2010 SDSR*, p. 10, emphasis added.
[220] Defence doctrine states that "to maximise its influence in the world and to contribute to the resolution of global problems, the UK supports a system of international collaboration" – "collective security" through "alliances and partnerships", in which "the UK rarely can, or even should, act alone." UK MOD DCDC, *JDP 0-01: British Defence Doctrine*, chapter 1, pp. 2-3.

Atlanticism maintained its primacy in UK foreign policy ever since, with the UK remaining the closest US military ally in Europe.[221] In fact, "effective interoperability with the Americans [has been] the first principle of British defence policy."[222] While critics charge that this alignment with the USA is representative of a dearth of independent UK strategy, the question remains whether the country possesses the resources to assume such a global posture and "globe-girdling commitments."[223] With the lack of resources much more acute in the UK than in the USA, the UK by necessity concentrated much more narrowly on its armed forces than on closely shaping and affecting those of other countries. This stance also extended to the defence industry, as the UK government, when in doubt, decided in favour of its immediate military needs than for those of industry or other states, which later chapters show in more detail is hugely relevant for this study.

Unlike the USA, dissident voices that critically questioned the UK's high reliance on military force or at least the capability to project force beyond the Central Front and eastern Atlantic were present in particular within the left wing of the Labour Party and within parts of Parliament and the Treasury.[224] While no UK government entirely abandoned aspirations that would require it to "punch above its weight", the wider range of critical views may have partly enabled the UK's gradual downscaling of its strategic posture in response to resource pressures which remained wanting in the USA. However, members of Parliament, much like their US

[221] Anecdotal evidence of the special status assigned to the USA is that there was a classification level called "for US eyes only". Malcolm McIntosh (1990), *Managing Britain's Defence* (Basingstoke: Macmillan), p. 51.
See also Freedman, *Politics of British Defence*, pp. 55–58.
[222] Chris Donnelly, Commander Simon Reay Atkinson, and Julian Lindley-French (2012), "Affording War: the British Case," in *The Oxford Handbook of War*, eds Julian Lindley-French and Yves Boyer (Oxford: Oxford University Press), pp. 503–516, at p. 505.
[223] Patrick Porter (2010), "Why Britain Doesn't Do Grand Strategy," in *The RUSI Journal*, Vol. 155, No. 4, pp. 6–12, at p. 6.
[224] See Edward Hampshire (2013), *From East of Suez to the Eastern Atlantic: British Naval Policy, 1964-70* (Farnham: Ashgate), pp. 58–60 and Great Britain (Labour Party) (1977), *Sense about Defence: The Report of the Labour Party Defence Study Group* (London: Quartet Books).

counterparts, are mostly disinterested in the details of foreign and defence policy.[225] The legislature is considerably more disadvantaged in the UK regarding war powers than the already relatively powerless US Congress.[226] Apart from exceptionally high-profile cases, such as spending on the nuclear deterrent or the invasion of Iraq in 2003, defence political decisions rarely attract widespread attention,[227] and even if they did, Parliament unlike the US Congress has no means of blocking individual line items.[228] Moreover, the UK policy process is famously marked by an "obsession with secrecy",[229] while the civil service has a strong ethos that remains relatively inaccessible to outside input.[230] The opposing voices therefore must not be discarded entirely. Their presence may have had the effect that in the UK a withdrawal from global commitments remained "thinkable" unlike in the USA, yet they did not bring about radical change.

Similarly to the USA therefore, the UK defence policy process offers few opportunities, let alone incentives, to access the leadership and suggest significant strategic realignments. Whereas both governments are extremely receptive to private sector input regarding how to conduct their acquisition and other defence economic and industrial policies,[231] they display a similar mix of avenues to inform government thinking on the strategic level. UK industry is highly proactive in seeking to inform and affect government's thinking about acquisition issues. It will comment indirectly on strategy insofar as it directly affects business outlooks, albeit ostensibly from a

[225] Self, *British Foreign and Defence Policy since 1945*, pp. 255-259, 270.
[226] Sandra Dieterich, Hartwig Hummel, and Stefan Marschall (2008), "Exekutive Prärogative vs. parlamentarische war powers: Gouvernementale Handlungsspielräume in der militärischen Sicherheitspolitik," in *Führen Regierungen tatsächlich? Zur Praxis gouvernementalen Handelns*, eds Everhard Holtmann and Werner J. Patzelt (Wiesbaden: VS Verlag für Sozialwissenschaften), pp. 171–188, at pp. 171–172, 175.
See also Sebastian Payne (2008), "War Powers: The War Prerogative and Constitutional Change," in *The RUSI Journal*, Vol. 153, No. 3, pp. 28–35.
[227] Self, *British Foreign and Defence Policy since 1945*, pp. 255–259.
[228] This was pointed out forcefully in a interviews with anonymous. Senior and Mid-Level UK Government Sources. UK (2012-2013).
[229] McIntosh, *Managing Britain's Defence*, pp. 36–38.
[230] Ibid. Cf. also William Hopkinson (2000), *The Making of British Defence Policy* (London: The Stationery Office), pp. 22–26.
[231] See chapters III-VI.

technical, apolitical perspective. In essence, the separation is said to be between the "should" and the "could" of foreign and defence political courses of action.[232] As Gordon Lane, former Managing Director Defence and Director Land at UK trade group Aerospace, Defence & Security (ADS) put it regarding consultations such as the SDSR: "Our focus is very much about 'what is the impact on industry?' So our response and our engagement in any consultation will be about that, not about the broader political aspects which are very much the preserve of the Royal United Services Institute (RUSI) and other think tanks."[233] Numerous other sources in the MOD and industry concur that the "should" decision at high strategic levels does not and should not involve industry, whereas immediately thereafter on similarly high levels it should be common practice to include contractors when assessing required and available capabilities.[234] The line is therefore similarly blurry as in the USA, as decisions about a military action and the ability to conduct it are not entirely separate.

Yet, within MOD, senior officials rarely meet with strategic thinkers and practitioners, and never with anybody from non-mainstream organisations that question the basic premises of defence policy, strategy, and posture. MOD ministers and senior staff members meet almost exclusively with industry and selected military charities, and very rarely with think tanks or unions. Meetings with industry, consultants, and trade groups between 2010 and 2013 averaged 72% for ministers and 92% for other senior members of staff (permanent secretaries, Chief of Defence Staff, and several others), while visits from members of think tanks with very few exceptions were from RUSI (situated next door to the MOD and sharing its heating

[232] This specific formulation is from Maj. Gen. (ret) David Shouesmith; personal interview with the author, Defence Academy of the UK, Shrivenham, June 2013.
[233] Personal interview with Gordon Lane. Former Managing Director Defence & Director Land at ADS. ADS Offices, London (18 March 2013).
[234] Personal interview with Maj. Gen. (ret) Jeff Mason. Former ACDS (LogOps), now Commercial Director Europe and Commonwealth at Supreme Group UK. Supreme Group UK Offices, London (23 February 2012), telephone interview with Richard Hamber. Deputy Head, Defence Logistics Strategy and Policy, Office of the ACDS (LogOps), UK Ministry of Defence (13 December 2012), and personal interview (2013) with Maj. Gen. (ret) David Shouesmith. Former ACDS (LogOps) and a former Vice President at PwC. Defence Academy of the United Kingdom, Shrivenham (13 June 2013).

system), which is a highly renowned, mainstream research organisation. These visits averaged at a maximum of one per month, with many quarters passing without a single recorded visit.[235] Thus, be it think tanks like RUSI, Chatham House, or IISS, all of which enjoy privileged access to decision-makers who are routinely hosted by those institutions – sometimes to engage on ongoing defence reviews that were not otherwise discussed in public –[236] or interest groups, government ultimately holds on to the privilege of making strategy with only limited outside input.[237] It is government that sets the parameters and solicits input within them, making fundamentally unorthodox input that calls for substantial strategic realignment unlikely.

Overall, then, there exist similar informal channels of broader defence strategic debates and input as in the USA, but they appear to remain indirect and certainly not dominant in the day-to-day operations and deliberations within the MOD. The fundamentals of defence strategy and posture, predicated on a global role, proximity to the USA, and an activist agenda – more multilateral than the USA but still willing to 'go it alone' if necessary – are not challenged in the UK either.

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[235] This is discussed in more detail, including a presentation of access data, in chapter IV.

Data available at Gov.uk, "Ministers' Gifts, Hospitality, Travel and Meetings: Transparency Data," accessed 15 December 2013, available at https://www.gov.uk/government/publications/ministers-gifts-hospitality-travel-and-meetings, and

Gov.uk, "Senior Staff Meetings: Transparency Data," accessed 15 December 2013, available at https://www.gov.uk/government/publications/senior-staff-meetings.

Regarding senior staff meetings the figures cited here exclude external social events because they were collected to count meetings with journalists but not others present and were thus of no use here.

[236] Defence Secretary Liam Fox gave a speech at RUSI on 14 June 2010 about the ongoing SDSR process on which the public was almost not consulted. See Liam Fox (2010), "Speech: The Strategic Defence and Security Review," (14 June 2010), accessed 5 March 2013, available at https://www.gov.uk/government/speeches/2010-06-14-strategic-defence-and-security-review.

On the lack of public consultation, see UK House of Commons, Defence Committee (2010), *The Strategic Defence and Security Review*, First Report of Session 2010-11, HC 345 (London: The Stationery Office), p. 6.

[237] Interviews with senior and mid-level UK government sources and personal interview with UK MOD source.

II. 3. Findings and Conclusions

This chapter established the defence-strategic context of defence policy-making that directly affects and is closely intertwined with the economic, industrial, technological, and manpower-related context discussed in the next chapter. The chapter first briefly outlined the trajectory of how the security environment evolved since the end of World War II. Until 1990 it was marked by bipolarity and certainty as to the predominant threats and required military capabilities, and responded to with a global, forward-leaning defence posture. The disappearance of the Soviet Union represented an external shock that led the USA and the UK (and their NATO partners), in search of new missions and justifications to maintain large standing peacetime armies, to focus on ill-defined risks of global scope. Their nature, location, and emergence being uncertain, the USA in particular further expanded its global presence in order to better be able to globally intervene, (in its view) maintain order, peace, and security, and prevent the rise of a new peer-competitor. The UK, conversely, while desiring a global role and influence based on similar premises as the USA, over the course of the Cold War learned the hard way that its considerably more limited resources required a reduction of commitments and global defence objectives. This also led to a much stronger willingness to rely on partners and multilateral defence arrangements; as the next chapters illustrate, this willingness extends directly into the defence-industrial domain with significant consequences for UK outsourcing practices.

These varying reactions are illustrative of the commonalities and deeper differences between the USA and the UK that recur throughout this study. While both follow a grand strategy of global economic openness, it is arguably only "imperial" (to borrow Bacevich's classification) in the case of the USA because of its willingness to be present and intervene globally to safeguard economic openness. Moreover, when faced with budgetary and other pressures that threatened to challenge the

maintenance and global application of the expansive military instrument of power, the UK proved more willing to downscale its grand strategy and posture and to rely more on allies and non-military instruments of foreign policy. To the USA, on the other hand, the sky appears to be the limit in terms of what the country aspires to achieve in world politics and security. Therefore, when faced with the choice between superiority and downscaling, the USA repeatedly opted for the former, preferring to follow paths where it speculated that savings could be found ('doing more with less') rather than truly scale back its global commitments.

This chapter thus established the dynamic and potentially changeable character of defence strategy and posture (as contextual factors as per PNT) that had been taken as givens in the literature so far. The fact that they were shown to be remarkably constant does not mean that postures are necessarily as expansive as they are, but rather that they are resilient in the face of external challenges and constantly reproduced rather than fundamentally altered. Moreover, in identifying the internal sources of this longevity, this chapter identified the potential future sources of change. Without the continuously expansive scope of grand strategy and posture there may have been a significantly lower demand for manpower, equipment, and services for the armed forces and thus fewer incentives to outsource capability to the market because in-house resources may have sufficed. In reality, however, the durability of strategy and posture meant that these pressures remained constantly high.[238] Both scope and durability were shown to be maintained through the participation of contractors and pro-contracting advocates in public security discourses that contributes to a selectivity that favours continuity over change.

More fundamentally, ideationally, we can identify that the belief in a global, economic system based on free trade as a deep core belief strongly shapes policy-making. Regarding defence, this translates into core beliefs that advocate for the

[238] There is more to these two observations, in particular the preference for technological superiority (USA) or technological leadership (UK), as chapter III discusses in more detail.

protection (UK) or extension and control (USA) of this economic system. The USA and the UK slightly part ways regarding their policy preferences, i.e. how to realise these objectives because of the differences regarding the scope and operationalisation of grand strategy and posture. Additionally, the incentives and opportunities to object to mainstream policy and ideas are limited, not least because access to decision-makers and high-profile fora is most readily available to a network of industry, think tanks, and government officials who work towards reproducing, not challenging or changing the status quo. As a result, all other things being equal, the logic of practicality is more likely to lead to military courses of action in the USA than the UK.

The next chapter picks up from here to explicate the economic dimensions and ramifications of the durable, expansive defence postures. It examines how these strategic fundamentals affected the supply of the armed forces since the early days of the Cold War, in particular the required levels of manpower, equipment, technology, and services. All of them, combined with a deeply held belief in the necessity of military-technological superiority, are essential parts of the drivers, politics, process, and future of military services contracting.

III. The Economic, Technological, and Organisational Context of Defence Policy-Making: Supplying Strategy and Posture

This chapter builds on the preceding one to establish the remaining context and historical background to contemporary defence policy-making. The previous chapter identified key ideational and political factors that underpin defence policy-making, namely the scope and durability of US and UK grand strategy and posture and their trajectories throughout the Cold War to the present. This chapter picks up from there to discuss their defence economic, technological, and manpower-related implications for the implementation and sustainment of defence policy. After all, a state may aspire to a given posture or claim global leadership, but without the resources and capabilities to supply and sustain them the state's policy and strategy are not credible. The supply of armed force is thus essential. It is concerned with the means and arrangements on which strategy and tactics depend, and thereby determines the size and type of the military force that can be deployed to an operational theatre, how long it will take for the deployment to happen, the scale of the force that can be sustained, and the tempo of potential military operations – i.e. the ability to realise strategic goals and live up to one's assumed posture.[239]

This chapter begins with identifying the equipment, services, and manpower capabilities required by the USA and the UK for the realisation of their defence policies. It then examines the nature of the gap between resources and defence political commitments that has been a fixture since the 1950s, and then traces the high-policy steps undertaken since the early Cold War to reconcile strategy and resources. These measures predominantly applied managerial and various commercial 'best practices', including the resort to services contracting which eventually became a firmly entrenched, integral aspect of defence policy-

[239] Uttley and Kinsey, "Logistics in War", pp. 401–402.

making and implementation. It thereby confirms Taylor's assumption that rapid technological sophistication as well as a more central place of the private sector in the delivery of public services drive contractorisation,[240] as well as Cusumano's hypothesis that constraints on the state's ability to extract resources from society affect the propensity to outsource military responsibilities.[241] Moreover, it challenges the view that locates the sources of the current wave of contractorisation in the military drawdown and the Revolution of Military Affairs after the Cold War rather than in the decades-old tension between resources and commitments.[242]

This chapter thus completes the identification of the relevant contextual factors that form the backdrop to defence policy-making by identifying the remaining structures, agents, and resources that undergird and define the contemporary defence policy process. Most importantly, it identifies how the closely linked deep internalisation of private sector ideas and practices, high technological demands, and a close proximity of government to industry turned outsourcing from an optional to an indispensable practice. Based thereon, this study can then turn to contemporary defence services acquisition policy-making (chapter IV), the outsourcing of foreign military assistance (chapter V), and both the outsourcing of military logistics overseas and the future of military outsourcing more generally (chapter VI).

III. 1. The Gap between Capability Requirements and Resources

The tension between resources and commitments has been a similarly stable feature of US and UK defence policy since the 1950s as both states' strategies and postures. In fact, as Croft *et al*. point out, much of the historiography of British defence

[240] Taylor, "Contractors on Operations, Equipment Support", pp. 185–186, 191–193.
[241] Cf. Cusumano, "Power under Contract".
[242] Singer, *Corporate Warriors*, pp. 49–66.

policy since the end of World War II has been all but subsumed under the heading of economic and financial decline.[243] The following examines the tension between demands for superiority and limited financial and manpower resources and then traces how it was addressed throughout the Cold War and to the present.

III. 1. i. High Capability Requirements

US Secretary of Defense William Cohen put it bluntly in the 1997 QDR when he wrote that the USA, once in combat, did "not want a fair fight … but capabilities that will give [them] a decisive advantage."[244] Both the 1997 QDR and the 2012 Strategic Guidance were published against a backdrop of severe budgetary pressures, yet both documents (like many others cited in this chapter) argued decidedly in favour of continued US military dominance and global leadership. In the USA, military dominance and global leadership are non-negotiable baselines in attempts to reduce spending. The aforementioned DSB task force that was formed following the 2012 Guidance underscores the force of this policy principle, having been created to identify "emerging technologies that will enable the next generation of dominant military capabilities to be in development or fielded by 2030".[245]

The US military's primary missions and consequently the required capabilities have therefore remained extremely broad. According to the 2012 guidance (although one could cite virtually any other government review or report) they comprise counterterrorism and irregular warfare, conventional and nuclear deterrence, projecting power regardless of access or area denial challenges, countering the spread of weapons of mass destruction, operations in cyber and outer space, homeland defence, providing a stabilising presence, and conducting stability,

[243] Croft et al., *Britain and Defence 1945-2000*, pp. 7–8.
[244] US DOD, *1997 QDR*, Secretary's Message.
[245] US DOD DSB, "Terms of Reference DSB Study on Superiority in 2030".

counterinsurgency, humanitarian, disaster relief, and other operations.[246] And despite no longer planning for large-scale, prolonged operations such as in Afghanistan or Iraq, the unforeseeable nature of the security environment led the government to order that the US armed forces "maintain a broad portfolio of military capabilities that, in the aggregate, offer versatility across the range of [primary] missions" to sustain "US global leadership."[247]

Similarly, the UK Army in 2020, even after massive downsizing, is intended to provide "a contingent capability for deterrence and defence, overseas engagement and capacity building, [and] UK engagement and military aid to homeland resilience as a UK-based Army."[248] It intends to remain "capable of competing decisively with the full spectrum of potential adversaries, as one of the most effective and capable armies in the world."[249]

The prioritisation of technological and full-spectrum dominance, based on beliefs "in the virtue of technology as a solution for myriad tactical and strategic problems", has a long pedigree, especially in the USA.[250] Daniel Lake traces the preference for technological solutions back to strategic challenges in the 19th and 20th centuries. He found that the mobilisation of overwhelmingly large forces for both World Wars from risk-averse populations, the raising of a large standing peace-time army throughout the Cold War, and the focus of every strategy since the end of conscription were based on the use or greater development of advanced weapon systems.[251] Lake thus identifies a "cultural bias" in the US military towards technological problem-solving that leads it to view technology as something of a

[246] US DOD, *Sustaining U.S. Global Leadership*, pp. 4–7.
[247] Ibid, p. 6.
[248] UK Army (2012), "Transforming the British Military: Modernising to Face an Unpredictable Future", accessed 20 November 2012, available at http://www.army.mod.uk/documents/general/Army2020_brochure.pdf, p. 3.
[249] Ibid.
[250] Daniel R. Lake (2012), "Technology, Qualitative Superiority, and the Overstretched American Military," in *Strategic Studies Quarterly*, Vol. 6, No. 4 (Winter 2012), pp. 71–99, at p. 77.
[251] Ibid, pp. 74–77.

panacea and therefore requires the USA to remain at the cutting edge of military technology.[252] Gray calls this "the RAND school of strategic analysis" and its "engineering approach to security."[253] Jacques Gansler, former USD (AT&L), even argues that all US grand strategy since World War II was built around technological superiority.[254]

Two organizations demonstrate the institutionalization of the notion that technological superiority is paramount to US grand strategy, that technology and technical solutions take precedence over potential veto-players' concerns, and that leadership is key in this dynamic. The Defense Technology Security Administration (DTSA) in DOD is tasked with ensuring the maintenance of the USA's technological superiority, while the Defense Advanced Research Projects Agency (DARPA) was founded to research technologies the military did not pursue internally – either because of cultural resistance such as in the case of Unmanned Aerial Vehicles (UAV) which were seen to threaten the jobs of airmen, or because they looked significantly further into the future, beyond immediate defence requirements.[255]

The UK government similarly recognises the centrality of technology to its national security capabilities.[256] When faced with spending crises, the UK opted for equipment rather than sizeable armed forces, indicating a similar preference – when forced to choose – for hi-tech equipment over troops.[257]

Adding to the breadth of these requirements is the requested ability to project them across the globe. Military professionals find that "[overseas] projection

[252] Ibid, p. 74.
[253] Colin S. Gray (1994), "Strategy in the Nuclear Age: the United States, 1945-1991," in *The Making of Strategy: Rulers, States, and War*, eds Williamson Murray, MacGregor Knox and Alvin Bernstein (Cambridge et al.: Cambridge University Press), pp. 579–613, at p. 592.
[254] Personal interview with Jacques Gansler.
[255] Ibid.
[256] Cf. UK Ministry of Defence (2012), *National Security through Technology: Technology, Equipment, and Support for UK Defence and Security*, Cm 8278 (London: The Stationery Office).
[257] Cf. McIntosh, *Managing Britain's Defence*, pp. 26–30. This is discussed in more detail below.

capability is a critical element of … post-Cold War military strategy".[258] While the increasing complexity of the technologies used by the armed forces creates huge training requirements for soldiers on the use (and sometimes the maintenance) of new systems, the requirements to meet global power projection capabilities while fielding the newest technologies are a key driver behind the growth of the military "tail" and the subsequently low "tooth-to-tail ratio."[259] Together, they signify both an increased, long-term need for a large defence workforce on the one hand, and a gradual reduction of the size-wise stagnant forces' relative firepower on the other. This created force structure problems to the US Army especially from the 1970s onwards,[260] and as noted above when forced to choose between technology and uniformed manpower, both countries opted for the former.

III. 1. ii. Problems of Supplying Capability

The sources of these capabilities are the defence-industrial base and the professional military force. The former, as noted, is central to US superpower/global power status, while the UK government also maintains key technologies in the country but is otherwise more open to international suppliers.[261] The capability and capacity to supply war is not only important in wartime; to ensure the uninterrupted ability to meet requirements, maintaining military logistical capacities is imperative also in peacetime. George Thorpe highlighted the importance of peace-time logistics as early as 1917. In his time this mostly meant factory preparedness;[262] today this

[258] Gary H. Mears and Ted Kim (1994), "Logistics: the Way Ahead," in *Joint Force Quarterly*, No. 4 (Spring 1994), pp. 38–44, at p. 40.
[259] Lake, "Technology, Qualitative Superiority", p. 73.
[260] Cf. Richard W. Stewart, General Editor (2005), *American Military History: the United States Army in a Global Era, 1917-2003*, Vol. II (Washington, D.C.: Center of Military History, United States Army), p. 388.
[261] Cf. Gordon Boezer, Ivars Gutmanis, and Joseph E. Muckerman II (1997), "The Defense Technology and Industrial Base: Key Component of National Power," in *Parameters*, Vol. 27, pp. 26–51, at p. 27 and UK MOD, *Technology White Paper* as well as the following sections.
[262] See George C. Thorpe (1986), *Pure Logistics: the Science of War Preparation*, with an Introduction by Stanley L. Falk, first publ. in 1917 (Washington, D.C.: National Defense University Press), pp. 68–73.

includes the service industry. As Boezer *et al*. put it more recently, in order to maintain "an adequate or 'warm' defense technology and industrial base, the United States needs to be producing, year in and year out, sufficient modern weapon systems and sustaining components to allow [the USA] to maintain technological superiority", even in the face of unstable customer demand.[263] The UK's policy has also been centred on the market, harnessing the civilian industry's innovation and products as far as possible.[264] The private defence-industrial base has thus long been the main supplier of defence products – and later also services – to the armed forces in both war and peacetime.

The relationship between equipment and force structures came under heavy resource pressures soon after World War II. As equipment unit prices rose at about 10% annually in real terms since the 1950s, British defence procurement policy evolved from one of broad-based national self-sufficiency and comprehensive platforms capabilities, to one that increasingly emphasised international collaboration and domestic industry consolidation.[265] The process was accelerated in the late 1950s because, as Edmonds argues, the false "ten-year-rule" resulted in delayed organisational reform and defence procurement, and reduced research and development.[266] As a consequence Britain not only lost the edge it held at the end of the war, but developed a gap in technology that became all but impossible to bridge. British procurement and defence-industrial policy were thus only based on self-sufficiency and broad-based domestic design and production capacities until about 1960. Soaring research, development, and unit costs made governmental support for numerous domestic companies untenable, prompting the UK to consolidate its

[263] See Boezer et al., "Defense Technology and Industrial Base", pp. 26–27.
[264] UK MOD, *Technology White Paper*, pp. 16, 20. Cf. also Croft et al., *Britain and Defence 1945-2000*, pp. 7–8.
[265] Ibid, p. 115.
[266] The rule had postulated that Britain would not engage in a major war for ten years after World War II, but was proved wrong from 1950 onwards in Korea, the Malaya, Kuwait, and elsewhere. See Edmonds, "Planning Britain's Defence", pp. 12–13.

domestic industry and realign its policy towards more international collaboration and imports.[267] Under Thatcher, the policy of "buying British" unmistakably ended.[268] As Taylor suggested, an accelerating rate of technological change and growing sophistication placed pressure on the systems that delivered defence capability.[269] These dynamics were shocks to the British defence enterprise that prompted significant realignments in the way in which the UK supplied its military. Although the outsourcing of services provision overseas was not contemplated at the time, the noted budgetary and technological pressures persisted, and ultimately enabled contractorisation as is discussed later.

In the USA, despite attempted savings and manpower reductions of 600,000 in the mid-1950s under President Eisenhower, the US defence budget climbed by 20% from 1954 to 1959 following the acquisition of new air and missile systems that formed part of nuclear and general deterrence strategy. As in the UK, the very high rate of technological change made weapons systems obsolete within very short time spans. New systems were procured within short time intervals and personnel had to acquire high expertise, was thus expensive, and required costly "on-the-job training to keep abreast of trends."[270] Additionally, the expanding "tail" of the force increased the number of required personnel. The dynamics of costly technological development, production, training, specialised personnel, and maintenance are thus by no means new as the discussions around the Revolutions in Military Affairs (RMA) and Military Logistics (RML) sometimes imply, but have a long history which probably spans the

[267] Croft et al., *Britain and Defence 1945-2000*, pp. 116–121.
[268] Krahmann, *States, Citizens*, pp. 72–73.
[269] Cf. Taylor, "Contractors on Operations, Equipment Support", pp. 191–193.
[270] Richard W. Stewart (General Editor) (2005), *American Military History: the United States Army in a Global Era, 1917-2003*, Vol. II (Washington, D.C.: Center of Military History, United States Army), p. 258.
In Lake's view, the demand for maximum performance equipment has another highly relevant corollary effect: lower reliability. This in turn increases even further the levels of necessary maintenance and more generally the logistical tail end, and by extension the level of contractorisation. Lake, "Technology, Qualitative Superiority", pp. 80–81.

industrialisation of war.[271] This historical background, not recent policy, set the precedent for how the gap has been addressed since the 1990s.

These developments accelerated in both states with the abolition of conscription and again with the end of the Cold War. Unlike in states such as Germany, for instance, where conscripts receive relatively comprehensive military training,[272] conscripts in the USA and the UK were also used for support functions. The turn (or return) to an all-volunteer force (AVF) between 1960 and 1963 in the UK and after the end of the Vietnam War in the USA in 1973 thus created additional challenges for military planners. Military personnel in general became more expensive while support functions were moved to the Reserves especially in the USA. Now, not only had there to be active recruitment, but the previous low pay for draftees could not be upheld for a professional force. Recruits had to be offered well-paid and attractive "jobs" to both sign up to and remain in the Army.[273] Even without these requirements, the US Army was facing the problem of requiring ever more technicians and support staff to keep a declining number of combat troops supplied,[274] so that recruitment made a difficult situation worse. Moreover, for political and financial reasons – ensuring the military cannot again go to war without drawing on Reserves as in Vietnam, and lowering peacetime defence spending, respectively – the US Army shifted most of its support to the Reserves with the release of a new "Total Force Concept" in 1970. By 1990, the Army's force structure was thus that only 30% of combat service support personnel were regular members of the Army, with 44% being Army Reserves and the rest Army National Guards. By

[271] Cf. William H. MacNeill (1984), *The Pursuit of Power: Technology, Armed Force, and Society since A.D. 1000* (Chicago: University of Chicago Press).
[272] Cf. personal interview with Stefan Sohm. Principal for Budget, Law, Social Issues, and Military Administration at the Planning Division. German Ministry of Defence, Berlin (09 September 2011).
[273] Stewart, *American Military History*, pp. 370–375. See also Krahmann, *States, Citizens*, pp. 65–78, and Booth, "Strategy and Conscription".
[274] Stewart, *American Military History*, p. 388.

contrast, only 8% of combat troops were from the Army Reserves.[275] Therefore, a key argument for outsourcing – it is uneconomical to train soldiers for 'military' tasks but then have them fulfil 'non-military' support functions – was already evident in the early 1970s, and put most pressure on the support end when deployments occurred. And even though contractorisation had not yet become standard practice after the introduction of the AVF, mostly because the Army sought to "care for its own",[276] as early as 1977 Moskos observed the growing role and dependence of the military on private contractors in the technological field.[277]

With the end of the Cold War, deterrence – which had relied little on deployability – was replaced by a more expansive and interventionist posture. The increased number of global, short-notice deployments and demands for a highly mobile, instantly deployable force following the end of the Cold War coincided with a renewed wave of modernisation demands that emerged in the 1980s with the onset of the RMA and the overall pressures to generate a "peace dividend" following the fall of the Soviet Union. However, the rapidly growing number of military deployments generated more demand for well-equipped troops on a global scale despite their being downsized at the same time. As a result, a "reduced logistic force [had to] support increased power projection requirements."[278]

Even though the gap was a constant feature, even repeated massive budgetary pressures, most recently in the wake of the ending wars in Iraq and Afghanistan and the simultaneous economic and fiscal crises, did not lead to a

[275] Ibid.
[276] See Jennifer Mittelstadt (2013), "The Neoliberal Army: Contracting Out Soldier and Family Support in the Late Twentieth Century", Paper Presented at the Political History Seminar, Department of History, Princeton University, March 7, 2013.
[277] Charles C. Moskos (2010-2011), "The All-Volunteer Military: Calling, Profession, or Occupation?" in *Parameters*, Vol. 40, No. 4, pp. 23–31 (originally published in 1977), at pp. 28–29.
[278] Mears and Kim, "Logistics: Way Ahead", p. 39. See also Hartley, "Determinants of British Defence Expenditure", pp. 21–22 and Lake, "Technology, Qualitative Superiority", p. 83.

narrowing of either the strategic commitments or the technological requirements, as the next section shows.

III. 2. Reconciling Resources and Commitments

Politicians had three policy options to respond to the growing imbalance. Major commitments could be reduced or eliminated, or a gradual reduction of defence outputs and operational efficiency be accepted. Neither was realistic because the strategic, technological, and ideational baselines remained unchanged: missions must still be successfully implemented anywhere in the world, with recourse to the most advanced equipment and best-trained troops, even where and if access is heavily contested. Therefore, a third option remained: improving efficiency across the enterprise.[279] As the next sections demonstrate, this option was based on the adoption of several ideas tied to the virtues of private enterprise. First, it focused on streamlining military force structure and introducing "managerialism" into defence organisation and management. Later it expanded to include the wholesale adaptation and adoption of 'best business' or 'best commercial practices' for the entire defence enterprise. From 1980 onwards this led to the significant increase in the outsourcing of military services which rapidly came to be viewed as indispensable.

III. 2. i. Force Structure Changes and Peacetime Budgeting

The abolition of conscription signalled the entry of the armed forces into the labour market, forcing them to compete for 'employees' like any other employer.[280] Resonating with Cusumano's hypothesis,[281] the state from then on faced considerably higher hurdles to extract societal resources – manpower. Given the need to offer

[279] Hartley, *Economics of Defence Policy*, pp. 19–24.
[280] See Heinz Schulte (2012), "Industry and War," in *The Oxford Handbook of War*, eds Julian Lindley-French and Yves Boyer (Oxford: Oxford University Press), pp. 517–530, at p. 524.
[281] Cf. Cusumano, "Power under Contract".

attractive jobs to new recruits, the U.S. Army – in the run-up to the introduction of the AVF – lobbied for funds to be able to assign menial tasks to new civilian employees rather than uniformed soldiers.[282] As noted, the rationale and challenges for introducing an AVF thus unwittingly contained at their core several key assumptions of outsourcing advocates: core competency and relatedly that it is uneconomical to train soldiers for combat but employ them for not inherently governmental, core military tasks.

Another hugely relevant but neglected fact is that the AVFs in the USA and the UK are intimately tied to the notion of separating peacetime from wartime budgeting. Both states' policies imply that peacetime – understood as the absence of military operations – is the norm. When the US Congress or the UK Parliament debate defence budgets, they focus on the base budget. Wars and other overseas contingencies are funded out of additional defence funds in the USA and by the Treasury in the UK.[283] This stands in sharp contrast to the past when wars tended to be financed through war taxes which more acutely and directly sensitise the taxpayer to the costs of war.[284] It also opens the door to budgeting ploys by shifting expenses into the 'war budget' to reduce pressures on the base budget, as was contemplated in the most recent budget crisis in the USA.[285]

The reduction of the active-duty military by shifting support functions to the less costly Reserves represented the first application of this peacetime-budgeting logic but was not accompanied by a reduction of the 'mission'. The subsequent gradual outsourcing especially of manpower-intensive support tasks was its logical

[282] Stewart, *American Military History*, pp. 370–375.
[283] I thank an anonymous interviewee from the UK military for pointing out this neglected factor. Personal interview with anonymous. UK Military source. Defence Academy of the United Kingdom, Shrivenham (2011).
[284] Cf. the research in progress by Sarah Kreps of Cornell University on war taxation and its effects on public opinion regarding war.
[285] Ethan Rosenkranz (2014), "Loophole in Law May Allow Pentagon Savings to Escape," in *Project on Government Oversight* (2014), accessed 11 January 2014, available at http://www.pogo.org/blog/2014/01/20140109-loophole-in-law-may-allow-pentagon-savings-to-escape.html.

conclusion. It was intended to (theoretically) cut the peacetime cost entirely rather than maintaining sizeable Reserves. In the event of a contingency operation – a name that falsely suggests they rarely occur – the governments would have to draw on the market for surge capabilities. As chapter VI shows, the frequent occurrence of 'contingencies' ultimately resulted in the incremental blending of public and private workforces rather than the reappraisal of the initial rationale. The latter would have involved owning up to the actual scale and frequency of military commitments and operations and thus required a surge of regular troops and capabilities.

III. 2. ii. Centralising Defence Management

In addition to manpower and budgeting-related policies, the USA and the UK undertook gradual, in their totality sweeping reforms across the defence enterprise. Organisationally, the armed services lost much of their autonomy to civilians in the central government. The latter sought not only to increase civilian control over the military in general, but also to increase the efficiency of activities that spanned the individual Services, the most costly of them being acquisition.

The centralisation of defence management occurred in several waves and resulted in the creation of single ministries of defence. These ministries became the focal points of policy formulation and execution, and were tightly linked to the central government, the military, and the defence-industrial base.[286] At the heart of the relevant disputes were the autonomy of the individual armed services that incrementally lost prerogatives in force structure and acquisition policy. In the USA, President Eisenhower in 1958 created a directorate that empowered the Secretary of Defense over the Service Chiefs and oversaw all military research and development (R&D) programmes, severely reducing the individual Services' control over these

[286] Sir Ewen Broadbent (1988), *The Military and Government: from Macmillan to Heseltine*, Foreword by Harold Macmillan, Preface by David Bolton (Basingstoke; London: Macmillan Press), pp. 4–12.

efforts.[287] This was one of the first steps towards the bundling of resources and manpower across the armed services. The Kennedy administration further centralised procurement activities in 1961 by partly bundling them in the Defense Supply Agency (now the Defense Logistics Agency (DLA)).[288]

The UK increasingly centralised its defence management since 1964. Over time, the service ministries were nominally downgraded and the unified MOD absorbed all three service departments.[289] The UK increasingly removed prerogatives from the single service chiefs at the benefit of the Permanent Secretaries and the Chief of Defence Staff throughout the 1980s, and formally introduced "jointery" into defence management in 1998.[290]

Through centralisation, the military lost some of its ability to act as a powerful veto-player, especially in acquisition-related decisions. This could explain why opposition to outsourcing declined from the 1980s onwards, only a decade after the U.S. Army had refused to outsource welfare and other services having viewed self-sufficiency as a necessity for success of the AVF.

III. 2. iii. Emulating the Private Sector: the Gradual Entrenchment of Privatisation and Military Services Contracting

The most significant and sweeping changes were the incremental reform of the defence enterprise in the mould of the private sector. Beginning with internal changes that saw the influx of managerial practices and technicalised problem-solving, the development led to the contemporary status quo in which most non-combat responsibilities are at least partly – often almost entirely – contracted out.

[287] Stewart, *American Military History*, pp. 202-203, 258.
[288] Ibid, pp. 259, 273-274.
[289] McIntosh, *Managing Britain's Defence*, pp. 20–21.
[290] Ibid, pp. 120, 161-164 and Croft et al., *Britain and Defence 1945-2000*, p. 43.

Managerialism – Running Defence like a Business

The beginning is generally seen to have been made under Secretary of Defense Robert McNamara, who represents the beginning of the era of the "whiz kids". McNamara's policies fell on fertile ground prepared over a decade before when the second Hoover Commission advocated for the introduction of private sector methods in defence.[291] He himself had saved the Ford Motor Company after World War II, served as its president, and had been an assistant professor at Harvard Business School. The changes he introduced to the organization and processes of DOD thus unsurprisingly drew on "the latest management techniques and computer systems", intended to reduce overlap and increase efficiency.[292] In addition to centralisation, he introduced a technical approach to problem-solving that led to the gradual separation of the armed forces by function rather than Service, and the subsequent unification of functions (e.g. in the Defense Supply Agency).[293]

His economistic and functionalist approach to cutting defence spending entailed the designation of 'defence' "as the output of policy-making", thereby making it "susceptible to standard economic analysis."[294] This is exactly the way that outsourcing would conceptualise defence, without regard for service mentalities or other non-material considerations.[295] His reforms, however, did not immediately lead to the wholesale outsourcing of overseas services provision we see today; DOD at the time maintained all organisational and functional units in-house. While DOD did pursue increased competition in procurement as well as lower operating costs, the budgetary pressures led DOD to draw on the market only in an *ad hoc* manner. It did not decide to formally outsource the provision of services (especially overseas) for the long term but sought savings from the marketplace, especially in equipment

[291] James E. Hewes (1975), *From Root to McNamara: Army Organization and Administration, 1900-1963* (Washington: Center of Military History, U.S. Army), p. 291.
[292] Stewart, *American Military History*, p. 274.
[293] Ibid, pp. 273–274.
[294] Ibid.
[295] See Hartley, *Economics of Defence Policy*, pp. 19–24 for more on the economic principles of outsourcing.

procurement.[296] This was understandable given the rapid rise of real unit costs while conscripts kept services affordable. Nonetheless, the ideational basis of services contracting had entered DOD and became institutionalised from the 1980s onwards.

The UK under Macmillan and his Chief of Defence Staff Mountbatten, impressed by the "whiz kids", followed suit in 1964. They introduced the "Planning-Programming-Budgeting System (PPBS)" which significantly defined bureaucratic defence decision-making, and forcefully pushed for a functionalisation of defence organisation (i.e. by task rather than armed service) which took until the mid-1980s to become the undisputed norm.[297] Government contracting and oversight were formalised in the Fulton Report of 1968 with the creation of the Review Board for Government Contracts.[298] The report epitomises the introduction of private sector methods into defence management. Among others, it recommended two-way transfers of personnel between the public and private sectors.[299] Although a formal revolving door was not implemented by the civil service at the time, such a recommendation in and of itself, and the economistic discourse and methods introduced at the same time, emphasise the status, hopes, and weight assigned to the defence-industrial base in Britain. For example, consultations with the Joint Review Board Advisory Committee and the major trade associations of the manufacturing industries became common practice in the late 1960s. These consultations were organised by the Confederation of British Industry (CBI), staffed with representatives of major contractors and trade associations, and negotiated contracting terms with government acquisition departments.[300] The following decades witnessed the entrenchment of these ideational foundations and managerial practices, particularly through the reiteration of the belief in entrepreneurial superiority. In 1992, former

[296] Stewart, *American Military History*, pp. 274–276.
[297] Edmonds, "Planning Britain's Defence", p. 9.
[298] Derek G. Thorn (1986), *Pricing and Negotiating Defence Contracts* (London: Longman), pp. 29, 34.
[299] Croft et al., *Britain and Defence 1945-2000*, p. 92.
[300] Thorn, *Pricing and Negotiating Defence Contracts*, pp. 36–38.

Chief of Defence Procurement Malcolm McIntosh underscored the value attached to industry's beliefs and interests as well as their direct access, input, and integration into government procurement policy, saying that he "was encouraged in a recent discussion with the CBI experts on partnership to learn that" the MOD's Procurement Executive often applies, as appropriate, "many of the techniques they advocate."[301]

Establishing a Corporate Culture in Defence

Over time, the ideational foundations of managerialism and entrepreneurial superiority became unquestioned and expanded to encompass military services provision. This happened most forcefully from 1979 onwards when the governments of both the UK and the USA pursued procurement reform by no longer focusing only on equipment but also on military services both at home and overseas. The Thatcher administration in the UK addressed the reduction of equipment costs by privatising a number of state-owned enterprises and placing them in competition, shunning cost-plus for fixed-price contracts, increasing "prime" contracting, handing the industry more leeway for reaching targets of equipment capabilities, and increasing exports to achieve economies of scale and stabilise demand beyond UK government procurement.[302] The end of public ownership in the UK can be read as a strong vote of confidence in the superiority of private over state enterprise. Thatcher and her successors' governments undertook additional reorganisations within MOD which mandated the further adoption of managerial and business practices in the ministry and echoed the 1968 Fulton Report's hope of a revolving door. They introduced among others the Management Information System for Ministers (MINIS), implemented the New Management Strategy (NMS), began publicly advertising contract tenders rather than buying from trusted sellers, and devolved budgetary responsibilities to the 'consumers' in the MOD through the Defence Agency

[301] McIntosh, "Defence Procurement Policy," p. 73.
[302] Croft et al., *Britain and Defence 1945-2000*, pp. 95–98 and McIntosh, *Managing Britain's Defence*, pp. 172–178.

programme. These reforms were the foundation for making the outsourcing of support services a normal procedure and thus heralded the growing role of the private sector in providing military services.[303]

As Matthew Uttley observes, this "broad program of UK defense management reforms since the 1980s appears to have created structures, a 'corporate culture' and organizational incentives for MOD officials at all levels to evaluate the scope for private sector involvement across the defense support sector."[304] McIntosh confirmed as much when he wrote "that many of the commercial approaches and efficiencies we are seeking from industry, we are requiring from ourselves. For some parts of the organisation … we have set up discrete commercial-style operations".[305] Attempts to maintain a competitive in-house capacity against which to measure the private sector's offers declined over the years, making the private sector integral to the running and structure of Britain's military. Incrementally, contractors' responsibilities reached the frontline, exemplified by heavy equipment transport contracts with the company Fasttrax.[306] By 2001 "Value for Money," the relevance of "Best Practice," "Smart Acquisition," and "Teamwork with Industry" had become the cornerstones of British defence acquisition policy, transforming the government from an owner into a customer and hopefully a "smart buyer" who micromanages less and allows industry leeway in reaching targets.[307]

While the USA had always drawn on contractors for some of the support for its military, it was not until the 1980s that a first step was undertaken to outsource overseas support services systematically and formally rather than *ad hoc*. The Logistics Civil Augmentation Program, one of the largest and the longest-running

[303] Croft et al., *Britain and Defence 1945-2000*, pp. 93-95, 121–126; on publishing contract tenders see Thorn, *Pricing and Negotiating Defence Contracts*, p. 61.
[304] Uttley, *Contractors on Deployed Military Operations*, pp. 29–30.
[305] Malcolm McIntosh (1992), "Defence Procurement Policy: the Way Ahead," in *The RUSI Journal*, Vol. 137, No. 5, pp. 71–75, at p. 75.
[306] Hartley, *Economics of Defence Policy*, pp. 237–242.
[307] See UK Ministry of Defence (2001), *Policy Paper No. 4: Defence Acquisition* (London: UK Ministry of Defence).

contract vehicles of the US military, was created through legislation in 1985.[308] The Army's "Total Quality Management" and "Total Army Quality" programmes that sought to institute a customer mindset in the U.S. Army in the context of cuts in the logistics domain from the late 1980s onwards are especially representative of the sweep of corporate culture in the US military.[309] The USA to this day experiences sustained efforts by pro-contracting advocates to follow the path of the UK, aim to become a smart buyer, and generally become closely intertwined with its private service providers. Organisations like Business Executives for National Security (BENS), but also virtually every trade association and departmental leader routinely stress these points in order to further entrench them.[310] They do so in particular by facilitating access for member organisations and individuals to military and political leaders.[311] But the consensus on the value of applying best business practices to defence extends beyond interest groups. A book on new tools for defence decision-making published by the mostly government-funded RAND Corporation examines precisely such a conceptual transfer.[312] The state actors in the network are thus in close contact with those who set the best commercial practice-discourse and place a growing premium on their employees' business credentials.

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[308] U.S. Army (1985), *Army Regulation 700-137: Logistics Civil Augmentation Program (LOCGAP): AR 700-137*. LOGCAP is discussed in detail in chapter VI.

[309] See Mittelstadt, "Neoliberal Army".

[310] Personal interview with Stan Soloway and personal interview with Paul Taibl and Susan Maybaumwisniewski. Vice President for Policy, and Senior Vice President for Policy at Business Executives for National Security, respectively. BENS Offices, Washington, D.C. (24 April 2012).

The closing panel of the PSC's 2012 Marketview conference, for instance, featured four managers from the US military to discuss "Not What, but 'How': DoD's Evolving Policies for Services Acquisition". See Professional Services Council, "Marketview 2012: The PSC Spring Conference," accessed 21 April 2014, available at http://www.pscouncil.org/c/e/c/SpringConference/Agenda/2012_Spring_Conferen.aspx.

[311] In 2012, for instance, then-Secretary of Defense Leon Panetta spoke at BENS's annual gathering in New York City, see U.S. Department of Defense, Office of the Assistant Secretary of Defense (Public Affairs) (2012), "Transcript: Remarks by Secretary Panetta on Cybersecurity to the Business Executives for National Security, New York City," in *U.S. Department of Defense, Office of the Assistant Secretary of Defense (Public Affairs)* (2012), accessed 14 January 2014, available at http://www.defense.gov/transcripts/transcript.aspx?transcriptid=5136.

[312] Cf. Frank Camm (2003), "Adapting Best Commercial Practices to Defense," in *New Challenges, New Tools for Defense Decisionmaking*, eds Stuart E. Johnson, Martin C. Libicki and Gregory F. Treverton (Santa Monica, CA: RAND), pp. 211–246.

Like the UK, the US government thus truly internalised and formalised managerialism. Within DOD, for instance, a 2011 Defense Business Board task group was formed to examine how DOD could implement a "culture of savings" through behavioural change in the department,[313] while in the Congress contracting advocates scored a key victory with the inclusion of several "smart acquisition" mandates in the 2013 National Defense Authorization Act (NDAA).[314]

Watershed – Reiterating and Expanding old Beliefs and Practices in the 1990s

The status quo in which managerialism and far-reaching contractorisation are all but unquestioned in the USA and the UK may be based on foundations that were laid from the 1960s to the late 1980s; these foundations however were often more ideational than realised on the ground, tentative, and highly disputed. It was therefore only in the 1990s, when governments led by the previous opposition parties confirmed and accelerated the previous policy trajectory, that the current status quo became firmly established. Only then was the remoulding of defence in the shape of business turned from an idea into an institution. Several factors supported this development, chief among them the wholesale investment in the core competency model (i.e. a 'best business practice') in response to the ongoing problems with the tooth-to-tail ratio, the gradually developing mutual dependence between industry and government that made potential reversals more difficult by the day, and finally – especially in the USA – concerns for the domestic defence-industrial base. In other words, while the stage had been set over the past decades, the most recent developments after the Cold War were not an historical necessity but resulted from deliberate decisions to continue on a trajectory that entailed further investment in the belief that business could produce and service more efficiently and flexibly than

[313] See U.S. Department of Defense, Defense Business Board (2011), *Task Group on a Culture of Savings: Implementing Behavior Change in DoD. Report to the Secretary of Defense, Report FY11-01.*

[314] See section VI.3 for details.

government, even though no systematic evidence had been available at the time, and even though applying business logics to the military is not without risks.[315] As Cross wrote, "[the military's] business is operations, and the implications of coming second on the battlefield are in a significant different league".[316]

In the context of the peace dividend, and with encouragement from the US government, the US defence industry in the 1990s consolidated from several dozen to five main companies. Additionally, their products also became increasingly 'militarised', meaning that their production lines did or could barely produce for the civilian market.[317] As a result, a small number of huge companies became existentially dependent on declining US defence spending.[318] Even though the basic dynamic also existed in the UK, the USA assigns its domestic industry a much more central and direct role in its national security and national defence architecture.[319] Challenges to its industry are thus perceived as national security challenges, not least because the military can no longer support or sustain its operations or surge by drawing on in-house capacities and capabilities. This prompts the US government to invest more effort into ensuring industry's survival and sustaining its business.[320] In the 1990s, efforts to shore up the defence industry among others took the form of dramatically

[315] As other authors have argued, it helped that the privatisation discourse had been reinvigorated by the wave of privatisation of former state industries in Eastern Europe. See e.g. Singer, *Corporate Warriors*, pp. 66–70 and Avant, *Market for Force*, pp. 34–38.
[316] Quoted in Kinsey, *Private Contractors and Iraq*, p. 112.
[317] Gansler, *Democracy's Arsenal*, pp. 36–37. The classical example of dual use companies is car companies, who produced Jeeps both for military and civilian buyers.
[318] This applies especially to the large companies such as Northrop Grumman that concedes it is "heavily" dependent on US government purchases (86%), while Lockheed Martin makes 82% of its sales to the US government. See Northrop Grumman Corporation (2014), *Annual Report for the Fiscal Year Ended December 31, 2013*, Filed with the United States Securities and Exchange Commission (Washington, D.C.), p. 8 and Lockheed Martin (2012), *Annual Report for the Fiscal Year Ended December 31, 2012*, Filed with the United States Securities and Exchange Commission (Washington, D.C.), p. 3.
[319] Cf. the literature on the "Arsenal of Democracy", e.g. by Jacques Gansler. This was also pointed out in interviews with senior and mid-level UK government sources.
[320] See e.g. U.S. Department of Defense, Defense Business Board (2010), *Task Group on Assessing the Defense Industrial Base: Report to the Secretary of Defense, Report FY10-05* (Washington, D.C.).

increased and expanded outsourcing and knowledge transfer, as the next paragraphs explain.

Since, as noted earlier, fewer troops had to operate in more places, on shorter notice, maintain more sophisticated equipment, and accomplish all of that with lower funding, the tooth-to-tail ratio further decreased.[321] What is more, throughout the 1980s, pay increases in the UK armed forces had become necessary in order to stem the drain of qualified personnel into the private sector. However, when in the 1990s the military opted to concentrate its funds on combat forces and their equipment, it ironically accelerated the outsourcing of the tail, i.e. the shift of technological tasks and personnel to industry.[322] In the 1990s, the UK pushed hard for Public-Private Partnerships in defence,[323] aiming to increase the relative firepower of the military by reducing the number of uniformed personnel conducting non-combat tasks which are in principle available in the commercial sector.[324] The UK military thereby rapidly increased its reliance on private service providers. This trend is most clearly epitomised in the dictum "Front Line First." The eponymous study was released in 1994 and clearly institutionalised the view of the military as a core competency force. Secretary of State for Defence Malcolm Rifkind demanded that every pound spent should go toward combat power, and that efficiency in spending was to be of paramount concern. As cuts to combat forces in such a scenario would have been illogical (besides being more expensive in political capital) the supply services end was slashed.[325] These and other measures, such as the Private Finance Initiative, sought to bridge the funding gap by lowering investment costs in R&D and

[321] On the high support requirements for global projection capabilities, see Lake, "Technology, Qualitative Superiority", p. 83.
[322] Paul Laurent (1991), "The Costs of Defence," in *British Security Policy: the Thatcher Years and the End of the Cold War*, ed. Stuart Croft (London: Harper Collins Academic), pp. 88–103, at p. 88.
[323] Krahmann, *States, Citizens*, pp. 84–102. Krahmann writes that the UK nearly abandoned the notion that any responsibility was a core competency. See also Hartley, *Economics of Defence Policy*, pp. 237–248.
[324] Cf. Hartley, "Determinants of British Defence Expenditure", pp. 21–22.
[325] Croft et al., *Britain and Defence 1945-2000*, p. 22.

construction expenses by drawing on private funds. Manpower was seemingly available through hiring and firing, and the force structure was less threatened as those responsibilities that remained in uniform were ostensibly more attractive.

Events in the USA followed a similar pattern and logic that demonstrate the close links between force structure, the quest for technological superiority and global dominance, knowledge transfer, and outsourcing. Core competency somewhat ties these five factors together. The deliberate decision to increasingly rely on contractors, in particular during the 1991 Iraq War, toppled the aforementioned force structure designs that had been put in place after the Vietnam War.[326] Created through the 1994 NDAA, the year of "Front Line First" in the UK, the Commission on Roles and Missions of the Armed Forces took up its work. It was set up to help reform DOD to become more innovative, competitive, and efficient. Like most previous efforts surveyed above, it recommended the reduction of "the cost of the support infrastructure through increased outsourcing and better management".[327] Camm – who is generally favourable towards outsourcing non-core functions to the private sector, and who participated in the wider CORM process – notes critically that the CORM was not very amenable to asking whether or not outsourcing was a good decision per se, but appeared to have received the "marching orders—outsource!" This was unfortunate because the process used to outsource, the OMB (Office of Management and Budget) Circular A-76, at the time did not consider the high costs of overseeing government outsourcing.[328]

The CORM's strong support for outsourcing support functions appears to be both a result and a reinforcement of the notion of a core-competency military. Its final report explicitly urges DOD to "concentrate service efforts on military core

[326] Cf. Stewart, *American Military History*, pp. 375-377, 388. Frank Camm assumes the decision was taken at the very top of the government, possibly the President himself; Personal interview with Frank Camm.
[327] US DOD CORM, *Report of the CORM*, Executive Summary, pp. 2-3.
[328] Personal interview with Frank Camm and personal correspondence with Dr Frank Camm. Senior Economist at the RAND Corporation (05 September 2012).

competencies".[329] Subsequent high-policy documents picked up and formalised this interpretation of the organisation of the armed forces. Secretary of Defense Cohen noted in the 1997 QDR that in order "[to] preserve combat capability and readiness, the Services have targeted the reductions by streamlining infrastructure and outsourcing non-military-essential functions."[330] Today, even though the military supply chain is no longer even remotely self-sufficient, force structure problems have remained. The 2010 QDR noted that DOD continues its efforts to maintain an adequate workforce that consists of a mix of "military/civilian/contractor" personnel "with the right competencies."[331] Contractors have thus become integral and seemingly equal parts of the military force structure because of the concentration on combat units in line with the core competency model. What ensued was the contemporary dependence on the private sector's production and maintenance capabilities, knowhow, and manpower, as is discussed next.

The unwavering demands for technological superiority and global military dominance are the ideational-functional underpinning of the developments above. Otherwise, could the military have done with less sophisticated equipment or a less expansive posture, it may not have been compelled to go down the route of core competency, transferring knowledge out of the military, investing heavily in the RMA and RML, and concomitantly increasing outsourcing. Camm recounts how after the end of the Cold War, facing lower procurement budgets, "original equipment manufacturers (OEMs) were looking for new lines of work … They promoted the idea that they should maintain the systems that they had designed and built."[332] Lockheed Martin, for example, set up "Aircraft & Logistics Centers" in its aerospace division that "[pursued] a strategy to support the U.S. government's transition to contracted

[329] US DOD CORM, *Report of the CORM*, chapter 2, p. 20. While that particular chapter focuses on the core competencies of the individual Services and does not discuss outsourcing, its outsourcing recommendations are developed directly next in the subsequent chapter.
[330] US DOD, *1997 QDR*, Secretary's Message.
[331] US DOD, *2010 QDR*, p. 55.
[332] Personal correspondence with Frank Camm.

logistics support and commercialization. This strategy includes winning modification, maintenance, and logistics contracts for as many as possible of the aircraft Lockheed Martin originally produced."[333] In their first year, the logistics centres captured contracts at a value of $1.25 billion.[334] The company more broadly sought to become "the partner of choice" in the government's anticipated turn towards "private sector partners for solutions to national and global challenges."[335]

The OEMs generally succeeded in convincing DOD to get on board, as this was a simple way to reduce the cost of new systems to DOD while it downsized its budget. As Camm notes, the underestimated caveat was that manufacturers retained "the technical data required to support the new systems. That way they did not even have to compete for the new work; no one else could do it without the tech data."[336] The federal government, although buying into the notion of core competency, failed to notice that these companies' core competencies did not always include the maintenance of these systems, but rather their design and production. It was thus content with having increased outsourcing and decreased the public workforce and in-house knowhow; the corollary dependency on the private sector was not only accepted at the time, but may have been a specific government objective in the context of the 1990s where the US government sought to reinvent itself under the dominant privatisation paradigm.[337]

In the same context, an oft-cited DSB report in 1996 "was chartered to develop recommendations on ways DOD could use outsourcing as an important tool to free up substantial funds to support defense modernization needs".[338] The task force's chairman Philip A. Odeen summarised its position as "all DoD support

[333] Lockheed Martin (1997), *Annual Report for 1996* (Bethesda, MD), p. 43.
[334] Lockheed Martin (1998), *Annual Report for 1997* (Bethesda, MD), p. 9.
[335] Lockheed Martin (2001), *Annual Report for 2000* (Bethesda, MD), p. 4.
[336] Personal correspondence with Frank Camm.
[337] Ibid.
[338] U.S. Department of Defense, Office of the Under Secretary of Defense (Acquisition and Technology), Defense Science Board (1996), "Report of the Defense Science Task Force on Outsourcing and Privatization", (Washington, D.C.), accompanying memo.

functions should be contracted out to private vendors except those functions which are inherently governmental, are directly involved in warfighting, or for which no adequate private sector capability exists or can be expected to be established."[339] The taskforce was composed mostly of industry representatives. Mr Odeen was chairman of the industry trade group Professional Services Council (PSC) in the past and in 2007 received the PSC's Krueger medal. He has served on the boards of defence company Northrop Grumman, consultancy Booz Allen Hamilton, and numerous other companies, a well as in several positions in the Office of the Secretary of Defense and the National Security Council.[340] Other task force members included Mr Berteau, mentioned in chapter II, now at the CSIS think tank and then at the company SAIC, numerous other members of private companies from Boeing, UPS, General Electric, Bechtel, MPRI, and Dr Jacques Gansler as DSB reviewer.[341]

These and more similar studies adequately reflect not only the discourse of the key advisory task forces and commissions in DOD since the early 1990s, but also the trajectory of the Army's sweeping outsourcing of support services, the direction in which the government decided to go,[342] as well as the advocacy of industry and its supporters.[343] The defence modernisation needs mentioned by the DSB report were inseparable from both militaries' decision to buy into the RMA and RML, discussed in more detail in chapter VI. Suffice it to point out here that these acquisitions, representing the growing flow of products, techniques, and processes from the

[339] Ibid.
[340] U.S. Department of Defense, Defense Business Board, "Philip A. Odeen," in *U.S. Department of Defense, Defense Business Board*, accessed 14 January 2014, available at http://dbb.defense.gov/Portals/35/Documents/Members/Odeen,%20Phil.pdf.
[341] US DOD DSB, "Report on Outsourcing and Privatization", Appendix B (Task Force Membership).
[342] See e.g. the following websites for a list of DSB studies: U.S. Department of Defense, Office of the Under Secretary of Defense (Acquisition and Technology), Defense Science Board, "Reports," accessed 14 January 2014, available at http://www.acq.osd.mil/dsb/reports2010s.htm.
[343] See e.g. a study by BENS's Paul Taibl that is available from DOD databases, Paul Taibl (1997), "Outsourcing & Privatization of Defense Infrastructure", BENS Special Report (Washington, D.C.), accessed 15 March 2014, available at http://www.dtic.mil/cgi-bin/GetTRDoc?AD=ADA530702.

private sector into the military, necessarily came with personnel 'attached'. With the military lacking in-house knowhow and capacities, the vendors gained increasing business by not only researching, developing, and producing capability, but also by installing systems, training the military in their use, maintaining and updating them throughout their life-cycle, and taking them out of service. As later chapters discuss in more detail, such life-cycle arrangements – called "through-life capability management" in the UK – have become the norm in the USA and the UK, even legally mandated in the USA. They underscore the ever closer intertwining of public and private workforces and both governments' growing dependency on private sector knowledge. The UK MOD, for example, now purchases an asset's capability rather than the actual asset itself, meaning the military often no longer owns the asset in the classical sense. This leads not only to increased revenue for industry,[344] but also to the tighter integration of public and private workforces. The USA, while usually owning its assets, similarly draws on "performance-based logistics" (PBL) and "contractor logistics support" arrangements for the operation and maintenance of various weapon systems both at home and in active theatres of operation overseas.[345]

III. 3. Findings and Conclusions

This chapter concludes the establishment of the context and historical background of contemporary defence policy-making that represent the first part of the policy process as per PNT. The preceding analyses identified the structures and agents, and the shocks and gradual processes that led to the present status quo which represents the backdrop against which defence policy is made today, and explains the

[344] Regarding increased revenue from services from the "whole life support programme" see for instance Northrop Grumman Corporation (2007), *Annual Report for the Fiscal Year Ended December 31, 2006*, Filed with the United States Securities and Exchange Commission (Washington, D.C.), p. 36.

[345] See Jacques S. Gansler and William Lucyshyn (2006), *Evaluation of Performance Based Logistics,* (College Park, MD) for examples of PBL. Chapter VI discusses this in more detail.

contemporary valuation and distribution of resources that are relevant to the remainder of the policy process which is examined in subsequent chapters..

III. 3. i. Key Findings

First, the above reveals the ideational force exerted by the self-assigned global military and political role, and the belief in the virtue of technology and the ability to solve political problems with technical means. More so in the USA than the UK, cuts to defence are viewed as direct attacks on national security and the country's role in the world.[346] Defence in the USA thus enjoys particularly high system integration and sectoralisation,[347] which are both strong but relatively more limited in the UK.

'Technologisation' also led to the depoliticisation of force structure policy. The strong belief in the opportunities offered by new technologies meant that there was no longer a perceived need for military self-sufficiency. Debates about contracting are routinely depoliticised and reduced to economic, functional, and technological terms, and eschew questions about public participation and support for defence policy that the use of reservists rather than contractors, for instance, would necessitate.

The internalisation of managerial and business ideas and practices is epitomised in the turn towards core competency, the lowering of overheads by planning for peacetime regardless of the tempo and frequency of military operations, the transfer of knowledge out of the government and military, and the belief in the

[346] See e.g. Pellerin, "Sequestration Damage",
Pete Kasperowicz (2012), "House Narrowly Passes Sequester Replacement," in *The Hill* (2012), accessed 8 March 2013, available at http://thehill.com/blogs/floor-action/house/274159-house-passes-sequester-replacement-boehners-tax-plan-is-next,
Tim Mak (2012), "Defense industry cautiously upbeat on sequester," in *Politico* (20 November 2012), accessed 25 November 2012, available at http://www.politico.com/news/stories/1112/84056.html, and
Korb et al., "Gunpoint Stimulus".
The 2015 budget proposal cuts military manpower while focusing on acquisition. Dan Lamothe (2014), "Pentagon Chooses Machinery Over Manpower in Budget Battle," in *Foreign Policy* (04 March 2014), accessed 22 April 2014, available at http://complex.foreignpolicy.com/posts/2014/03/04/pentagon_chooses_machinery_over_manpower_in_budget_battle.

[347] See section I.2.iii for definitions of these PNT concepts.

virtues of technology. The adoption of managerial and business practices underscores the point made by Taylor and Krahmann that buying into the notion of the private provision of public services is a key enabler of contracting.[348] The inculcation of managerialism and business practices and ideas demonstrates that these kinds of knowhow are the most highly valued in the policy process. It is of particular note here that the USD (AT&L), who leads the department's $350 billion strong acquisition efforts, must have private sector experience to be eligible for the post.[349] Given the personal background as well as the awareness that it is a key prerequisite for the post, the USD (AT&L) likely focuses their attention and sensitivity on industry and its needs at the expense of potential veto players. Later examinations of DBB and DSB task forces, which are mostly sponsored by the USD (AT&L), underscore this contention.[350]

The turn to an AVF furthermore reduced the levels of military knowhow among civilian officials, raising its value among those who hold this resource. The AVF also meant that money is relatively less concentrated among military and government agencies but increasingly held by contractors and industry who take on more responsibilities. Coupled with the relative loss of autonomy in acquisition, the military gradually lost some of its ability to veto government policy.

At the same time, the resulting interdependence between government and industry further strengthened the role assigned to "democracy's arsenal" in the USA and the centrality of private enterprise to the UK military. This assumption is

[348] See Taylor, "Contractors on Operations, Equipment Support", pp. 185–186, and Krahmann, *States, Citizens*, p. 51.

[349] This requirement was mentioned in passing separately in several personal interviews with anonymous. senior US sources (2012). POGO's Scott Amey criticises this requirement, stating that many other experts have expert knowledge of the industry, implying that they would not be as biased towards the private sector, see personal interview with Scott Amey.

[350] Ashton Carter, who served as USD (AT&L) under President Obama and worked exceptionally closely with industry, was regarded by some senior individuals as not fulfilling this requirement because he had allegedly only served on the board of and advised private sector organisations, but not actually worked in private business. He was deemed as not holding sufficient resources from his experience in and with the private sector. This was noted by an anonymous interviewee with the author. Personal interviews with anonymous.

underscored by the undisputed nature of government-industry interdependence which is openly acknowledged, even appreciated, by both governments. Concern for the health of the defence-industrial base is a standard talking point in the defence leadership and illustrates that both governments perceive 'more of the same' as their best option to meet their security responsibilities: private sector involvement and tighter public-private integration. A relationship of such dependence and proximity requires functioning communication channels and access. Seeking advice on how to improve communication with the defence-industrial base, the DBB, in 2009, proposed an "Industry Strategic Communications Plan" which called for closer, less confrontational, more formalised and regularised communication, meetings, and an acknowledgement that both sides will win if they acknowledge that they share interests. Such meetings would not only help solve contracting-related problems, but would also provide the industry with even closer and more direct input to the highest tier of the Pentagon up to the Secretary of Defense.[351] In the UK, the issue of government-industry relations and channels of communication gained greater urgency in the wake of the rapid expansion of outsourcing in the 1980s and 1990s and the subsequent rapid growth of the public-private relationship. In a 1992 speech to RUSI, McIntosh said that that the MOD "recognises an obligation to keep industry as well acquainted as possible with [its] future requirements, to enable industry to make informed decisions about the direction of its business. Ministers have made clear their commitment to this policy." Government was to be responsive to the needs of industry.[352] As discussed in chapter VI, further strides have been undertaken since with the creation of the public-private "Total Support Force".

[351] U.S. Department of Defense, Defense Business Board (2009), *Task Group on an Outreach Plan to Improve Communications between the Department of Defense and the Defense Industrial Base: Report to the Secretary of Defense, Report FY09-7* (Washington, D.C.)

[352] McIntosh, "Defence Procurement Policy", p. 74. He went on to say regarding individual projects that "in practice, most companies know as much as there is to know about the status of projects in which they have an interest through informal contacts with staffs in the procurement executive and in operational requirements."

The above also underscores the dominance of the executive – especially its leadership –, the rapidly growing importance of contractors, and the diminishing importance of the legislature and parts of the military. All initiatives above were results of top-down efforts. Most overarching was Vice President Al Gore's initiative to reinvent government, which centred on the emulation of the private sector. But also the various more limited reviews and initiatives underscore the relevance of leaderships. The chairman of the CORM John P. White, for instance, went on to become Deputy Secretary of Defense shortly before the publication of the commission's report. The administration could thus ensure that its recommendations of core competency and outsourcing were implemented.[353] Similarly, Stan Soloway served as Deputy Under Secretary of Defense for Acquisition Reform in the late 1990s. When he came into office he oversaw ongoing DSB studies that sought closer civil-military commercial integration to bring commercial technology to bear in defence.[354] He later became President and CEO of PSC, the national trade association for government services contractors, and continues to advocate public-private partnerships and closer integration of government and its service providers. Jacques S. Gansler, finally, who served as USD (AT&L), now sits on several companies' boards, and is widely regarded as a leading expert on these matters, also remains vocal in advocating the broader, smarter, and more long-term and partnership-oriented use of the private sector in defence. A senior source from the MOD confirmed that guidance from the executive leadership directly affects lower-level implementation, underscoring the high relevance of reviews and initiatives such as the

[353] See U.S. Department of Defense, Office of the Assistant Secretary of Defense (Public Affairs) (1995), "Commission on Roles and Missions of the Armed Forces," 25 August 1995, Press Release No. 470-85, accessed 12 January 2013, available at http://www.defense.gov/releases/release.aspx?releaseid=603,

and U.S. Department of Defense, Office of the Assistant Secretary of Defense (Public Affairs) (1995), "DoD News Briefing: Deputy Secretary of Defense John P. White," 25 August 1995, accessed 12 January 2013, available at http://www.defense.gov/transcripts/transcript.aspx?transcriptid=167.

[354] Personal interview with Stan Soloway.

aforementioned ones. Moreover, the source notes that "there is a momentum point" in this process; once a certain practice such as commercialising activities has become common, "you probably tend to do it more and more because you are more comfortable with the very idea" that a few years ago would have been unthinkable.[355] In other words, the repeated use of contractors affects the policy network's selectivity in such a way that outsourcing becomes more likely in the future,[356] and a potential reversal increasingly unlikely.

The empowerment of the executive and the private sector came partly at the expense of the legislature and was more generally accompanied by the reduction of potential veto-points, i.e. points at which policies may be opposed. The move towards an AVF was intended to ensure that the government could not go to war without calling up reservists in the USA. Yet, the move to use contractors, most symbolically in the 1991 Iraq War, removed this civilian element of control on the use of force. Additionally, the legislature shows little interest, ability, or resources to control contract spending by the government. While the UK parliament generally participates little in policy-making as opposed to policy-review,[357] the US Congress statutorily must authorise contract spending in excess of $50 million. Yet, it is not known to control contracts other than large foreign military sales or if the contract has generated considerable controversy. The vast majority of day-to-day contract spending and contractor operations thus occur free from legislative controls or media scrutiny,[358] while the recommendations of inspectors-general go unimplemented too often.[359] As the following chapters show, this is representative of a much wider

[355] Interviews with senior and mid-level UK government sources.
[356] This corresponds with Kruck's argument about the gradual "norm-alisation" of outsourcing through repeated reiteration. See Kruck, "Theorising Use of PMSCs", pp. 21–25.
[357] Peter Dorey (2005), *Policy Making in Britain: an Introduction* (London: SAGE Publications), p. 162.
[358] See Dickinson, *Outsourcing War and Peace* for a detailed discussion of these and other oversight-related problems with contracting.
[359] Eric Yoder (2013), "Too many IG recommendations not implemented, report says," in *Washington Post* (05 March 2013), accessed 9 March 2013, available at

characteristic of the policy process, namely the severe dearth of potential veto players who hold even remotely comparable resources and clout as the private sector.

Finally, regarding the drivers of military outsourcing, the above underscores that the current wave of contractorisation stretches back far beyond the end of the Cold War. It is therefore reasonable to challenge the established view in the literature and stress that the logic and pressures behind private security contracting originate decades before the end of the Cold War.[360] It particularly stands to argue that security contracting on deployed operations may not have been accepted by governments had they not gathered decades of experience of services contracting beforehand, gradually shrinking the defined "core" of military responsibilities, and thus paving the way for the willingness to outsource security.

III. 3. ii. Ramifications for Policy Networks

In conclusion, and to lead over to the next chapters, this chapter deduces four hypotheses from the above. How will the above drivers and policies affect, as independent variables, the networks and policies examined in the following chapters? First, ideas, as noted, are the slowest to change. Therefore, as long as the present interpretation of the security environment, posture, commitments, and the resource gap persist (as general contextual factors as per PNT),[361] both nations' militaries will interpret inherently governmental functions (increasingly) narrowly and close the resource-strategy gap by drawing on the private sector. In other words, the 'core' will shrink further.

Secondly, the contemporary constellation of strategy, requirements, and suppliers of defence capability creates considerable incentives for industry to pursue the constant flow of resources that DOD and MOD offer, to warn against any

http://www.washingtonpost.com/blogs/federal-eye/wp/2013/03/05/too-many-ig-recommendations-not-implemented-report-says/,

[360] Cf. Singer, *Corporate Warriors* and Avant, *Market for Force*.

[361] See footnote 99.

reductions, and to form pro-contracting advocacy coalitions in support of these goals.[362] At the same time, there are no comparably immediate incentives to oppose this status quo and no immediate veto-points for stakeholders in the process. It furthermore provides incentives for group formation into advocacy coalitions to multiply the effect of individual actors and to better channel their efforts and access to decision-makers. Not least due to the government's dependency on the beneficiaries of this coalition, industry and its advocates should hold more resources than other non-governmental, potentially industry-critical actors, including money, (access to) decision-makers, and leadership. This would also be in line with economic studies which suggests that democratic governments tend to favour producers over consumers, mostly because the former have more resources, means, and knowledge in order to participate in the process than the general public.[363] It would also support Jacobs and Page's findings that high foreign policy is most strongly influenced by business interests, and that this in turn is most pronounced regarding defence.[364]

Thirdly, the networks should be biased to admitting and promoting those actors and policy proposals that share the beliefs about global leadership and technological superiority, and who consider the private sector a desirable force multiplier in the creation of defence outcomes. Their selectivity should advantage agendas that reinforce rather than challenge these convictions. The networks are thus unlikely to comprise significant sources of internal change.

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[362] Answering "why would anyone want to operate in, or invest in, such a peculiar, unpredictable sector" as defence, Loren Thompson of the Lexington Institute answers that "[the] answer is simple: the U.S. Department of Defense is the biggest purchaser of technology and technical services in the world. It buys a billion dollars worth of goods and services every day, so any company that becomes a trusted supplier to the Pentagon potentially can tap into a vast stream of revenues." Loren B. Thompson (2012), "Changing Defense Budget Environment Drives Shift In Company Strategies," in *Lexington Institute* (22 June 2012), accessed 24 November 2012, available at http://www.lexingtoninstitute.org/changing-defense-budget-environment-drives-shift-in-company-strategies.

[363] Hartley, *Economics of Defence Policy*, pp. 88–89.

[364] Lawrence R. Jacobs and Benjamin I. Page (2005), "Who Influences U.S. Foreign Policy?" in *American Political Science Review*, Vol. 99, No. 1, pp. 107–123.

Fourth, presuming that veto players strongly affect the likelihood and degree of policy reorientation, and given the noted selectivity and low prospects for unorthodox agenda-setters,[365] this study assumes that there will be no fundamental rethink of threat perceptions and resulting strategies and postures as long as there occurs no big shock resulting from military failure or financial default, and as long as the private sector can meet the responsibilities it is assigned by the military, even if this comes at a high cost in other policy domains (for instance through higher cuts in non-defence budgets).

Having established the context and background to contemporary defence policy-making, and provided hypotheses as to the shape and outcomes of the remainder of the policy process, this study now turns to testing these assumptions in three environments: high defence services acquisition policy-making, the outsourcing of foreign military assistance, and the outsourcing of military logistics.

[365] The military leadership is unlikely to rise beyond Colonel if it does not buy into the politically-led outsourcing drive, with pressures being particularly strong on logisticians because the military, as shown, prioritises hi-tech equipment over technical in-house staffs. Michael Brower who "worked as a program analyst in the Office of the Assistant Secretary of the Army (Financial Management and Comptroller), Resource Analysis and Business Practices Directorate" in the late 1990s found that "those above the rank of colonel and GS–14 and political appointees are almost wholly in favor of outsourcing and privatization" while the lower ranks by necessity have to conform (or leave the military for the private sector). Brower, "Vogue of DOD Outsourcing", p. 388.

IV. The High Politics of Military Services Contracting: the US and UK "Defence Services Acquisition Policy Networks"

The two preceding chapters focused predominantly on the first research question of 'why' states outsource military services, i.e. the drivers, and thus on the first part of the policy process in line with PNT. Tracing the historical trajectory, they explained how the status quo came about and explicated the structural context of contemporary defence policy-making in the USA and the UK. The status quo is principally defined by several cross-hatched political, economic, technological, organisational, and ideational factors. First, there are their global defence postures and the ongoing tension between the resulting military commitments and the resources available for their realisation. Secondly, this tension is exacerbated by the demand that these goals be met employing the most advanced, sophisticated weapons systems and the most highly trained professional military forces. Both demands were shown to be met primarily with recourse to and the internalisation of managerial and business ideas, discourses, and practices. Outsourcing is among the most significant and salient among them.

Building on this context, the study now enters the next 'sequence' and examines contemporary defence policy-making and implementation, i.e. the second and third parts of the policy process. To fully answer the research questions, the remainder of this study addresses a series of questions in the three domains of high policy, foreign military assistance, and overseas military logistics: What are the domain-specific drivers of outsourcing, and do they confirm the previous analyses? How and why do outsourcing and contractors figure in politics and decision-making? How is outsourcing conducted on the ground? Which key concerns emerge? What are contractorisation's long term effects on the defence enterprise, policy process, and network selectivity? And thus: what is the likely future of outsourcing?

The remainder of this study tests and finds support for the assumptions put forward at the end of chapter III: in a nutshell, governments will increasingly reduce their interpretation of 'inherently governmental' and 'core competencies' if the commitments-resources gap persists. The structures in place create considerable incentives for industry group formation and the pursuit of revenue streams, as well as result in privileged access and input to decision-makers and decision-making, while not incentivising other veto-players or creating significant veto-points. The policy network exhibits a bias towards those actors (executive leaderships, managers, contractors, and advisors) and policy options that reinforce rather than challenge the system in place, limiting fundamental introspection. Finally, veto-players are marginalised, further strengthening network selectivity. Contractorisation thus becomes normalised and standard practice through its reiteration over several policy cycles, while the potential reversal or significant change becomes less likely.

This chapter maps the 'Defence Services Acquisition Policy Networks' (DSAPNs) in the USA and the UK by surveying key policy disputes and examining venues of personal and informational interaction and exchange. It thereby identifies the network's main actors and advocacy coalitions, their beliefs and interests, and the mobilisation of their resources in pursuit of these interests.[366] It thereby also gives indications as to the likely shape of policy implementation – the last part of the policy process – that is examined in the two remaining chapters. The observations and maps confirm not only the existence of a "bias towards business" and the "structural power of business",[367] but also highlight a central element of the defence policy process: informality.

[366] These disputes' being of central relevance to contracting ensures that the observations capture the most relevant actors who focus their limited resources on high-profile, high-stakes issues.
[367] Cf. Bell, "Structural Power of Business".

IV. 1. Membership in the Defence Services Acquisition Policy Network

The preceding chapters pointed to several groups of actors and institutions of the defence policy process: the government executive, advisory boards, lobbies, think tanks, and the legislature. The following refines this list through the examination of three venues and channels for personal and informational exchange which represent the ideational, functional/technological, organisational, and economic dimensions identified earlier. They are departmental advisory boards, technical and technological consultancy, and interest group politics and lobbyism. The goal is to identify the actors involved, their arguments, and who 'won' a particular policy dispute. The next section can then identify coalitions of actors and their interests, ideas, beliefs, and resources in order to evaluate the distribution of power and thus determine the structure of the networks. We can then deduce who 'makes' defence services acquisition policy, and why.

IV. 1. i. The USA: Advising, Informing, and Lobbying on Defence Services Acquisition Policy

DOD Advisory Boards

Advisory boards in the USA reveal that mainstream think tanks and the defence industry have priority input into decision-making. Industry and selected think tanks are proactively sought out as interviewees, task group members, and chairs, while labour unions and various critics of defence economic and defence-industrial practice are typically not represented. As noted, these boards are hugely important: they epitomise and unite the noted ideational, technological, functional, and political factors that to a high extent determine military outsourcing, illustrate the directions in which the government wishes defence and security to develop in the future, initiate new trends, and show what is considered out-of-the-box thinking in government circles.

As noted earlier, soon after the CORM Deputy Under Secretary of Defense John Goodman sponsored a DSB study on outsourcing and privatisation in DOD. It aimed at "[reducing] the cost of the support infrastructure while simultaneously enhancing support effectiveness" and recommended the wholesale outsourcing of all non-inherently governmental support functions.[368] Of the 28 task force participants, 20 were industry representatives, one was from the Federally Funded Research and Development Center (FFRDC) the Center for Naval Analyses, four were DOD representatives, two were members of the task force's staff, and one was the DOD sponsor John Goodman. In an organisational diagram, they are grouped as "Defense Industry Executives", "DoD/Service Representatives", and "Private Sector Experts". The task force included no representatives of labour, even though the report directly recommended the outsourcing of jobs of unionised workers or other potential opponents.[369]

Similarly, a 2011 DBB report analysed the opportunities to harness corporate downsizing applications to reduce overhead and increase efficiencies in DOD. Although the report mentions that key constituents, such as trade groups and labour unions, must be supportive for such measures to work, none of the 20 plus interviews appear to have been conducted with representatives of labour. In other words, when DOD sought to emulate successful business practices, the task group sought advice from the consultancy, financial, and manufacturing industries, as well as current and former defence officials. However, even during an administration considered excessively left-wing by many critics, the task group did not consult anybody from the employee side which bears a lot of the burden of corporate downsizing. This is

[368] US DOD DSB, "Report on Outsourcing and Privatization", accompanying memo.
[369] Ibid, pp. 4–5.

particularly telling given that recommendation number five states that "reducing people costs is critical" and that "it is vital that reductions begin immediately".[370]

The above underlines what Jacques Gansler (former USD (AT&L)) and Stan Soloway (former Deputy Under Secretary of Defense for Acquisition Reform, now President and CEO of the industry group PSC), both of whom have sponsored such studies, said: DOD leadership and advisory boards cannot talk to everyone, there is both a political element and time pressures in the design and composition of these boards. As Soloway put it, "I guess to some extent there would have to be a political element to it. ... We did not have the time to talk to everybody on the planet, so we selected people from a variety of stakeholder groups who we thought would provide us the best quality of diverse opinion." As a result, not "everybody gets a shot, it is not like a public hearing, it is not like a congressional hearing. There is some winnowing, nobody has the time, so you want to go where the substance is."[371] By extension, the above also confirms Scott Amey of the Project on Government Oversight who criticised this state of affairs, arguing that there are people outside the industry who can provide input to the acquisition process in DOD.[372]

A study by watchdog "Citizens for Responsibility and Ethics in Washington" (CREW) sheds some light on the dynamics of advising and informing government in tune with Amey's concerns. It found that "70 percent (or 76) of the 108 three-and-four star generals and admirals who retired between 2009 and 2011 took jobs with defense contractors or consultants. In at least a few cases, the retirees have continued to advise the Department of Defense while on the payroll of defense contractors, suggesting the Pentagon may not always be receiving unbiased counsel."[373] Advisory

[370] U.S. Department of Defense, Defense Business Board (2011), *Corporate Downsizing Applications for DoD: Report to the Secretary of Defense, Report FY11-08* (Washington, D.C.), pp. 1, 3, 4; quote on p. 4.
[371] Personal interview with Stan Soloway. See also personal interview with Jacques Gansler.
[372] Personal interview with Scott Amey.
[373] CREW (Citizens for Responsibility and Ethics in Washington) (2012), *Strategic Maneuvers: the Revolving Door from the Pentagon to the Private Sector* (Washington, D.C.), p. 1

boards are thus criticised by some on the grounds that they have "vested interests" in overestimating the savings to be made from outsourcing, among others because such studies are conducted by stakeholders rather than objective analysts.[374]

CREW's study problematises an issue that is simultaneously easy to observe but whose effects are exceedingly difficult to measure: the linkage between public and private sectors as personified in those walking through the "revolving door", and the question of the objectivity of advisers and decision-makers against this backdrop. The majority of lobbyists for major defence companies have backgrounds in public service. CREW found that at least 68% of registered in-house lobbyists working for the five largest defence contractors had prior public sector experience, mostly in Congress and federal agencies.[375] The study thus highlights a broader issue of interest, namely the ease with which individuals from the private sector may enter inner policy-making circles, and the fact that they are even deliberately sought out by government to consult decision-makers. Put differently, what is interesting here is not the potentials for misconduct but rather the general bias that exists in the regular conduct of the formal, day-to-day, routineised public-private interactions in the policy network. The prerequisite for the USD (AT&L) to have a background in the private sector is a particularly telling illustration thereof. The same holds true for a quote by Mr Soloway saying that the PSC, "whenever there is a relevant study or research project being done" is "almost always asked to come in, provide a briefing and a discussion" which may turn into a serial engagement with the team. Asked whether the boards proactively approach PSC, he replied: "Almost always, if it relates to acquisition, technology, services..."[376]

[374] Brower, "Vogue of DOD Outsourcing", pp. 388–390.
[375] CREW, *Revolving Door*, p. 5.
[376] Personal interview with Stan Soloway.

Technical and Technological Advice: Informality and the Case of RAND

An exemplary examination of RAND sheds further light on the role of outside advice to DOD that takes the baselines for granted and works to operationalise the ideational, technological, and political guidelines that are set by government. RAND is one of the most renowned research organisations and has closely worked with the US military and defence communities for decades. RAND and similar organisations' advice and information procedures are distinguished here from overtly interest-based politics and organisations because of their institutional non-partisanship (explored below). The following establishes the channels of communication and forms of cooperation between RAND and the military, and highlights an under-appreciated yet persistent theme in the study of defence policy and contractorisation: informality, i.e. non-memorialised or non-public interaction.

RAND has three so-called Federally Funded Research and Development Centres that work with the Army, Air Force, and the intelligence community.[377] RAND negotiates its work annually with senior boards from those offices, comprising 2-4 star generals. This process is ongoing, following five-year contracts with both armed services that define the terms under which this occurs.[378]

Camm notes that RAND then has "very good access to people on that board." RAND has long had close working relationships with individual parts of the Army and Air Force in particular, going back several decades. They are particularly close and long-lasting with the logistics communities and the Army personnel policy community. In those cases RAND has had significant influence. "We have basically transformed the logistics systems of the Army and the Air Force over the course of 40 years," Camm notes referring to the changes that are discussed in chapters III and VI,

[377] The following, including quotes, unless otherwise noted are taken from a personal interview with Frank Camm.
[378] Ibid.

in particular the shift to distribution-based logistics.[379] "If you look at how those activities are run: they reflect what we told them to do, which is kind of cool."[380]

However, whereas RAND has long been able to influence US military policies and processes on a largely technical level such as regarding the management of inventory, Camm notes that RAND has not had much direct influence on the use of contractors.[381] However, the changes in the logistic systems advocated by RAND possibly had as an unintended consequence the increase of contractorisation because the underlying logic is based on business best practices and technologies which the military does not organically own or operate.[382]

In addition to these rather technical consultancies, RAND also works on a contract basis for the Office of the Secretary of Defense (OSD), especially with OSD (AT&L). As OSD's job is a policy job, the main difference regards the perspective taken to analyse an issue. OSD focuses on cost and controls the budget, whereas the military services control the quality of the service. Underscoring the difference between politics and seemingly more technical issues, Camm notes that RAND's relationship with OSD varies depending on the people involved, meaning that RAND's influence fluctuates more, and that generally there is much less continuity there. On the one hand this is because of the higher turnaround of staff members, on the other hand because each cooperation is a one-off effort. In Camm's experience this makes the maintenance of longer-term relationships very difficult, not least because projects are very limited in time especially when compared to projects such as the transformation of the Army and Air Force logistics systems.[383]

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[379] The studies Camm refers to as having played a central role are I. K. Cohen, John B. Abell, and Thomas Lippiatt (1991), *Coupling Logistics to Operations to Meet Uncertainty and the Threat (CLOUT): an Overview* (Santa Monica, CA: RAND) and Timothy L. Ramey (1999), *Lean Logistics: High-Velocity Logistics Infrastructure and the C-5 Galaxy* (Santa Monica, CA: RAND).
[380] Personal interview with Frank Camm.
[381] Ibid.
[382] Camm notes that the large logistic transformations of the 1990s were modelled on the successes of supply chain management by Japanese car manufacturer Toyota. Ibid.
[383] Ibid.

RAND's relationship with DOD also provides further evidence for the political element that is inherent in DOD advisory boards as noted above,[384] and the view that the issues it advises on are ostensibly technical, not political. As RAND is precluded from taking an overtly political stand, it is not invited to participate in DSB or DBB studies "because this gets into politics." This is despite its significant subject-matter expertise and the often ostensibly technical nature of these studies. At the same time, RAND employees regularly serve on and support the Army and Air Force's Scientific Advisory Boards (SABs) which RAND is "comfortable doing … because the focus of the SABs tends to be more technical and less about implementing an administration's political goals."[385] The same applies to testimony to Congress, where someone from RAND's staff testifies "probably every week", according to Camm; "we are not allowed to lobby, though."[386]

In addition to the impact of technical and technological consultancies on DOD processes, including the manpower and cost-intensive logistics domain, the RAND case also highlights another critical aspect of the examination of diverse influences on the policy process. The assessment of influence – be it internally or of external actors from advisors to lobbyists, think tanks, or media reports – is tremendously complicated because it mostly operates informally and indirectly. According to Camm, most contacts between RAND and the Congress or DOD are informal, "with staff just sharing ideas." Generally, "there is a lot of day-to-day contact ... in the Pentagon. There is a reason we are located here [across the street from the Pentagon] (laughs) – someone can call and you can be there in 20 minutes."[387]

The same applies to RAND's in-house programmes in which it interacts with various DOD offices and individuals. Informal conversation is "very common" and

[384] Cf. footnote 371.
[385] Personal interview with Dr Frank Camm.
[386] Ibid.
[387] Ibid.

"about whatever they want." For example, in 2011, Camm conducted a project for the Inspector General (IG) of the Air Force. The IG had a council of approximately 20 Colonels to help him with redesigning the inspection system. They met first weekly, for three months, and then monthly for another year, on the fourth floor of the RAND offices in Arlington (where this author's interview with Mr Camm was also held). "When they wanted formal input from us I would reach out to people at RAND who knew the topics". Most importantly, for Camm, he has been able "to improve people's understanding of the issues" on which policy-makers eventually take decisions. Venues such as the fourth floor are not only common, but "absolutely critical. *This is where the real work gets done.*"[388]

While DOD has similar contracts with other FFRDCs and research organisations, there is no reason to believe that their cases would be significantly different from RAND in their overall operation, given the regulations in place for such contracts. The above should thus be of fairly general validity for this kind of input into government that works to operationalise and ultimately institutionalise the technical, ostensibly apolitical objectives.

Interest Group Politics, Lobbying, and Advocacy about Contracting in the USA

Some of the main fault lines in outsourcing-related policy battles are the rejection or endorsement of public-private competition or partnership, the costs or lack of government oversight and industry regulation, and the potentially resulting responsibilities or dangers for the defence-industrial base. The debates are mostly conducted in a highly adversarial manner – not surprising given the high financial stakes – and involve several recurring key individuals and organisations. The

[388] Ibid, emphasis added.

Mr Soloway similarly stated that "thematically a lot gets done informally. ... We have informal conversations with people all the time, but when there is any significant policy issue it is almost always memorialised in writing, so in the end it is becoming a transparent process." Personal interview with Stan Soloway.

examples surveyed here serve to further identify key actors and coalitions, and their interests and resources.

Applying and Reforming OMB Circular A-76

OMB (Office of Management and Budget) Circular A-76, "Performance of Commercial Activities", "defines federal policy for determining whether recurring commercial activities should be transferred to performance by the private sector or performed by federal government employees."[389] Although it was passed in 1966, Frank Camm points out that regarding defence it has predominantly been used, in different versions, in three waves: first, under President Ronald Reagan with the aim of outsourcing as much as possible because the dominant notion was that government should not be competing with its own citizens; secondly under President Bill Clinton, ostensibly to reduce cost, not least because A-76 at the time aimed at cost reduction; and thirdly since 2003 after it had been revised to take into account both cost and value.[390]

As was the case during the outsourcing drive of the 1990s, during the revision of A-76 in 2003 the congressionally mandated board again failed to accommodate the costs of overseeing contractors.[391] Also, the inclusion of cost and value "energised the government unions." Camm recounts being condemned by the federal workers' unions as a "lackey of the private-sector contracting community" even though a primer that he wrote was more on the unions' side "than anything in federal sourcing policy that existed before or after".[392] Camm wrote the primer in question for the CORM in 1996. A third of it addresses concerns to be taken into account regarding privatisation, including technical issues, the increased possibility of fraud and abuse, and the disruption caused by privatisation and the necessity to constructively address

[389] Valerie Bailey Grasso (2005), "Defense Outsourcing: the OMB Circular A-76 Policy," in *Congressional Research Service*, No. RL30392, at Summary.
[390] Personal interview with Frank Camm.
[391] Ibid.
[392] Personal correspondence with Frank Camm.

these issues with stakeholders.[393] Against the political background of the CORM this primer was certainly much more cautious about outsourcing overall than the government at the time that, as Camm noted, may have given the commission the "marching orders" to outsource.[394]

The Professional Services Council was also involved in the debate. It noted its appreciation of the new draft that presumed all government activity as being "commercial unless otherwise documented to be inherently governmental."[395] Business Executives for National Security shared this point of view, as its "basic premise has always been: if it is a commercial function, something that is readily found in the private sector, the government ought to consider that as their first source of supply."[396] BENS had published a study in 2001, addressed to the Secretary of Defense, that recommended among others a reform of A-76 not dissimilar to what was ultimately implemented soon thereafter.[397]

There has since been placed a moratorium on A-76 in DOD, i.e. the department cannot legally outsource new services which have so far been provided in-house. Government unions, most notably the American Federation of Government Employees (AFGE), convinced Congress of their interpretation. The AFGE considers the A-76 process to be illegal and can by now point to three laws that prohibit further A-76 studies to be conducted.[398] Their success indicates that unions retain some power in Congress where since the 2000s "union support is going beyond Democrats

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[393] Frank Camm (1996), *Expanding Private Production of Defense Services*, Prepared for the Commission on Roles and Missions of the Armed Forces (Santa Monica, CA: RAND), pp. 9-24, 51-52.
[394] Personal correspondence with Frank Camm.
[395] Stan Soloway (2002), "Circular A-76 Comments", accessed 17 January 2014, available at http://georgewbush-whitehouse.archives.gov/omb/circulars/a076/comments/a76-246.pdf, p. 2.
[396] Personal interview with Paul Taibl and Susan Maybaumwisniewski.
[397] Business Executives for National Security (2001), *Call to Action: Tail to Tooth Commission* (Washington, D.C.: Business Executives for National Security), p. 15.
[398] This includes Section 325 of the FY2010 NDAA. See their fact sheet American Federation of Government Employees, AFL-CIO (2011), "The OMB Circular A-76 Privatization Process: Why it's Illegal", accessed 17 January 2014, available at http://www.afge.org/Index.cfm/2011_10_13_AFGEFactSheetWhyA-76IsIllegal.pdf?Fuse=document&documentID=2945.

to Republicans".[399] It is important to note that this influence is limited to home base contracting; military services provision overseas rarely touches on potentially unionised workers but rather on soldiers who are by definition not unionised.[400]

Contractor Costs

The question of whether contractors in fact cost less than government employees is probably as old as outsourcing. On 29 March 2012, the Senate Contracting Oversight Subcommittee held a hearing entitled "Contractors: How Much Are They Costing the Government?"[401] Chairwoman Senator McCaskill invited a number of organisations to provide testimony or statements for the record (see left column of the referenced website). The proactive selection of these actors is a strong indicator that these organisations are considered key actors and commentators on this particular issue. They include public bodies such as the Departments of Homeland Security and of Health, the Offices of Personnel Management and of Management and Budget, two labour unions (the AFGE and the National Treasury Employees' Union), three think tanks (American Enterprise Institute, CSIS, and Heritage), POGO, and two trade groups (the PSC and the Coalition for Government Procurement CGP). The hearing was called in order "to examine whether and how cost information is used by government agencies to make decisions about whether work should be performed by federal employees or contractors."[402]

[399] Personal interview with Frank Camm. Camm estimates that Congress is the last place where unions hold such considerable power.
[400] This point was confirmed in a personal interview with Stan Soloway. The Commission on Wartime Contracting also testifies to this fact as the unions had no noticeable presence in that context which examined only overseas contracting.
[401] See the accompanying website that provides a video recording and copies of statements for the record, letters, and transcripts at Homeland Security & Governmental Affairs Contracting Oversight Subcommittee (2012), "Contractors: How Much Are They Costing the Government?", accessed 19 January 2014, available at http://www.hsgac.senate.gov/subcommittees/contracting-oversight/hearings/contractors-how-much-are-they-costing-the-government.
[402] Ibid.

It is beyond the scope of this study to examine the issue of contractor costs itself,[403] but two points are of note here: the panel aimed at improving government contracting practices, in particular accounting for costs in decisions on using a contract source. This is remarkable because the efforts of Chairwoman McCaskill, who championed congressional efforts to curb contracting waste, fraud, and abuse in particular through the Commission on Wartime Contracting, were considered to be on the edge of the political mainstream, and certainly not viewed favourably among

[403] This study will deliberately not enter the cost discussion in more detail, other than to make a few points: it is unclear whether contracting saves money or not – especially whether it does so across the board – because studies have delivered opposite results, see e.g. U.S. General Accounting Office (1997), *Outsourcing DOD Logistics: Savings Achievable but Defense Science Board's Projections are Overstated*, GAO/NSIAD-98-48 (Washington, D.C.: General Accounting Office), p. 4. The report confirmed other reports that had found "that the Defense Science Board's estimated annual savings of $6 billion is overstated by about $4 billion because of errors in estimates, overly optimistic savings assumptions, and legal and cultural impediments." The DSB had identified the latter and called for overcoming them by leadership from the top (ibid.).

Attempts are under way to develop valid cost comparison models that all stakeholders can agree to, see e.g. Jacques S. Gansler, William Lucyshyn, and John Rigilano (2011), *Toward a Valid Comparison of Contractor and Government Costs,* (College Park, MD).

Also, it is questionable whether contracting in long-term operations saves money, whether contractors hire and fire highly qualified staff, and whether there is the will and support for widespread insourcing. Finally, as the examination of A-76 showed, an exclusive focus on cost efficiency risks neglecting considerations of effectiveness. Cf. a quote from then-Air Vice Marshal Palin who argued that monetary efficiency does not necessarily translate into military "effectiveness" – the relation of output and national defence. Croft et al., *Britain and Defence 1945-2000*, pp. 97–98.

Regarding the hire-and-fire argument of outsourcing, Charles M. Smith, who worked as a civilian for the U.S. Army for over thirty years in the logistics and support area and whose extensive testimony is discussed in chapter VI, gave the following highly insightful example: "That is the logic that drives the outsourcing: 'contractors can ramp up and ramp down much better than government, civilian or military...' In practice I found that this is not always true and I saw it more on the facilities I had for the war reserves stock. I had a facility down in South Carolina for the war reserves stock we kept on shipboard. There is a maintenance facility there, the ship comes, all the equipment is taken off the ship, the ship goes up to some port where it is in high dock and refitted, meanwhile the contractor does all the maintenance on the equipment; it goes back on the ship when the ship comes back and goes back out for a year. And some people in government thought that the contractor will only hire the people to do that when the ship is in and then he will ramp down, and we found 'no' – you do not get them if you do not keep them. And so we had to go out and find other work to be done at that base to keep the workforce there and involved. The contractor is not really in the position to ramp up and down, especially when it is something technical like maintenance." Telephone interview with Charles M. Smith. Former Contracting Officer and Manager, U.S. Army (25 April 2013).

Finally, some of the cost savings are possibly results of a redistribution of several costs across society, for instance contractors' health costs being covered by the general health budget rather than the military budget, but ultimately still out of taxpayers' funds, for instance through the National Health Service.

pro-industry voices.[404] Not only did this hearing aim at improving costing practices in outsourcing rather than curbing outsourcing per se; the AFGE's testimony noted as a success the passing of several laws, one of which requires "that any work last performed by federal employees be subjected to formal cost comparisons which determine that conversions to contractor performance can at least be *guesstimated* to benefit taxpayers before such conversions may take place".[405] The AFGE, in other words, regards as a success the mandate to conduct "guesstimates" before jobs of its members could be transferred to the private sector. This indicates an acknowledgement that outsourcing cannot entirely be objected to in the political process even by those most opposed to it.

It is furthermore of note that these particular actors can be confirmed as central actors, after the full range of interviews in and around Washington, D.C. had already indicated as much. POGO's 2011 report *Bad Business*, for instance, was cited favourably not only by the AFGE in its testimony[406] but also by Senator McCaskill in her opening statement.[407]

A Short-Lived Insourcing Drive

Finally, in recognition of the Pentagon's over-dependence on contractors, only four years after the first inclusion of contractors in the Total Force, the 2010 QDR outlined that part of developing a balanced "total defense workforce" (which was still defined as comprising "military, government civilian, and contractor personnel") would be to "[improve] the Civilian Expeditionary Workforce" and "to reduce the

[404] Personal interviews with anonymous.
[405] John Gage (2012), "Statement for the Record by John Gage, National President, [AFGE], before the Senate Committee on Homeland Security and Governmental Affairs, Subcommittee on Contracting Oversight, on Contractors: How Much Are They Costing the Government?", (Washington, D.C.), accessed 19 January 2014, available at http://www.hsgac.senate.gov/download/afge-statement-for-the-record. Emphasis added.
[406] Ibid, p. 7.
[407] Claire McCaskill (2012), "Contractors: How much are they costing the Government? Opening Statement", accessed 19 January 2014, available at http://www.hsgac.senate.gov/download/mccaskills-opening-statement-sco-03-29-2012, p. 2.

number of support service contractors".[408] This issue is particularly relevant for our purposes as success of an insourcing initiative could have severely unsettled the status quo from within by suggesting that outsourcing is no longer as necessary or as promising as before, while its defeat could further entrench contractorisation by reducing the already limited veto-points.

According to DOD Directive 3000.05, the Civilian Expeditionary Workforce (CEW) is "a subset of the DoD civilian workforce to be 'organized, trained, cleared, equipped, and ready to deploy in support of combat operations by the military; contingencies; humanitarian missions; disaster relief; restoration of order; drug interdiction; and stability operations'". It is intended to provide IT managers and "intelligence specialists providing technical and IT support to intelligence personnel on U.S. bases in theater".[409] The CEW and the in-sourcing initiative[410] were the only two initiatives explicated under the heading of developing the total force. This indicates that the CEW and the insourcing initiative introduced with the FY2010 budget were either planned together or two separate results of a mild backlash against the contracting out of military support services.[411] The insourcing initiative was stopped after only a year for not having created the intended savings,[412] although it may be doubtful that it was realistic to expect such savings to materialise within one year as such reforms require initial investment. The AFGE argues that the

[408] US DOD, *2010 QDR*, pp. xiii, 55-56.
[409] Quoted in Molly Dunigan (2012), *Considerations for the Civilian Expeditionary Workforce: Preparing to Operate Amidst Private Security Contractors* (Santa Monica, CA; Arlington, VA; Pittsburgh, PA: RAND Corporation), pp. 1, 3.
[410] See the memo by the then-Deputy Secretary of Defense, U.S. Department of Defense, Deputy Secretary of Defense (2009), "In-Sourcing Contracted Services – Implementation Guidance," 28 May 2009 (Washington, D.C.), accessed 3 March 2013, available at http://prhome.defense.gov/rfm/TFPRQ/docs/DepSecDef%20Memo%20In-sourcing%20Contracted%20Services-Implementation%20Guidance%20(28%20May%2009)%20(OSD%2005339-09).pdf.
[411] It is not possible to ascertain whether the temporal overlap is a coincidence or indicative of a trend at that time. Personal correspondence with Dr Molly Dunigan. Political Scientist at the RAND Corporation (10 October 2012).
[412] Robert Brodsky (2010), "Pentagon abandons Insourcing Effort," in *Government Executive* (10 August 2010), accessed 5 March 2013, available at http://www.govexec.com/defense/2010/08/pentagon-abandons-insourcing-effort/32111/.

Secretary's comments about the lack of savings were misrepresented by contractors. Gates had noted that overall contract spending, especially in logistics, had increased despite insourcing. The AFGE concluded that "Secretary Gates' remarks actually damn the ever-escalating costs of services contracting."[413]

As with other outsourcing-related policy clashes, the insourcing initiative witnessed the same range of actors on the political battlefield. Jacques S. Gansler and William Lucyshyn critically evaluated the government's insourcing drive. They argued for government to withdraw from providing non-inherently governmental goods and services to managing their provision by private providers (or public providers if they won a competition against the private sector).[414] For Gansler this issue ties in with what he considers a non-workable definition of inherently-governmental functions.[415] The wider debate about the US government's reliance on contractors also involved an open letter sent by 26 Democratic senators to Secretary Panetta expressing concern about cutbacks in civilian personnel without parallel reductions in the contractor workforce. POGO's Scott Amey, the PSC's Mr Soloway's, and another trade group also weighed into the debate in the media, whereas public sector unions were absent.[416]

The issue has not died down since; DOD is still working on insourcing some functions but rather than focus explicitly on insourcing it is now concerned with

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[413] American Federation of Government Employees (2011), "Insourcing Backgrounder", accessed 14 July 2013, available at http://www.afge.org/Index.cfm/2011_10_13_AFGEFactSheetInsourcing.pdf?Fuse=document&documentID=2944, p. 1.

[414] See Jacques S. Gansler and William Lucyshyn (2010), "The Dangers of Over Insourcing: Finding Higher Performance at Lower Cost," in *Journal of International Peace Operations*, Vol. 6, No. 3, pp. 19–20.

[415] In 2011, Gansler chaired a DSB study on this issue, see U.S. Department of Defense, Office of the Under Secretary of Defense (Acquisition, Technology, and Logistics), Defense Science Board (2011), "Report of the Defense Science Board Task Force on Improvements to Services Contracting", (Washington, D.C.), pp. 11, 15.

[416] See Charles S. Clark (2012), "Lawmakers Challenge the Pentagon's Reliance on Service Contractors," in *Government Executive* (26 April 2012), and

Stan Soloway (2010), "Letter to The Honorable Scott Brown, United States Senate," 08 October 2010 (Arlington, VA), accessed 3 March 2013, available at www.pscouncil.org/PolicyIssues/Insourcing/InsourcingIssues/Letter_to_Sen_Brown_.aspx.

continuing the "Defense Acquisition Workforce Improvement Initiative", i.e. take an ostensibly apolitical and business practice-like approach. This is applauded by the PSC which hopes that DOD will cease insourcing non-critical tasks,[417] by implication leaving them to the market. The insourcing initiative thus did not substantially question the highly pervasive role played by industry in the US defence enterprise.

The public debates above were led by a limited range of "thought leaders". The list of policy issues could be expanded at will to cover numerous other related examples, for instance the evergreen issue of the "50-50 Rule" in US law that states that no more than half of depot maintenance funds may be expended on private sector work.[418] The surveyed examples however suffice. They touched on issues which directly and critically affect the government's longer-term practice of acquiring contracted services and products by affecting whether to outsource, on which basis to make this decision, as well as key aspects of ongoing outsourcing policy and practice. By activating key actors and stakeholders, their arguments, and beliefs, we can map the network and thus draw several conclusions in section IV.2.

[417] See the memo U.S. Department of Defense, Offices of the Under Secretaries of Defense for Acquisition, Technology, and Logistics, and of the Comptroller/Chief Financial Officer (2011), "Continuation of Defense Acquisition Workforce Improvement Initiative," 15 March 2011 (Washington, D.C.: Office of the Secretary of Defense), accessed 3 March 2013, available at http://www.acq.osd.mil/dpap/policy/policyvault/USA000471-11-DPAP.pdf.

See also Professional Services Council (2011), "PSC Applauds DoD for Strategic Insourcing Guidance," 21 March 2011 (Arlington, VA), accessed 3 March 2013, available at http://www.pscouncil.org/News2/NewsReleases/2011/PSC_Applauds_DoD_for.aspx.

[418] Dr Daniel Gouré of the Lexington Institute would consider his career vindicated if he managed to convince the US government to rescind this rule; personal interview with Dr Daniel Gouré. See also Peter M. Steffes (2010), "Should Defense Overhead Reduction Plans Consider Maintenance Depots?" In *National Defense Magazine* (October 2010), accessed 10 December 2014, available at http://www.nationaldefensemagazine.org/archive/2010/October/Pages/DefenseOverheadReductionPlansConsiderMaintenanceDepots.aspx.

IV. 1. ii. The UK: Advising, Informing, and Lobbying on Defence Services Acquisition Policy

The processes of advising, informing, and lobbying the UK government on defence services acquisition policy are remarkably less public, salient, and transparent than they are in the USA. Even FOI requests on non-security related outsourcing practices and examples are responded to reluctantly if at all.[419] While UK foreign and defence policy-making are renowned for their secrecy, seclusion, and informality as it was,[420] its recent outsourcing policies, practices, and plans were practically invisible to the public and conducted mostly on an *ad hoc*, by-invitation-only basis as the following sections demonstrate. This may be either a cause or consequence of the lack of critical scrutiny into the sweeping outsourcing of defence in the UK that Uttley observed in 2005, a lack that is especially obvious when compared to the USA.[421] At the heart of this variance is the different role, salience, and level of activism of the UK Parliament which cannot control specific policy issues whereas Congress can block individual "line items" in both individual acquisition bills or larger authorisations such as the NDAA. The different roles and prerogatives of the legislatures are in fact a central explanatory factor for the variance that exists between the USA and the UK. In sum, as the below testifies, the strong tendency to informality, coupled with a near-absence of salient public bodies, debate, or venues of public-private interaction ("private" here not being limited to industry but covering the entire non-state domain) is a defining element of the defence policy process in the UK and subsequently of research into it.

[419] See below for several citations of unanswered or incompletely answered FOI requests.
[420] See for instance the former Assistant Under Secretary of State for Policy Hopkinson, *Making British Defence*, p. 22, or former Chief of Defence Procurement McIntosh, *Managing Britain's Defence*, p. 62.
[421] Uttley, *Contractors on Deployed Military Operations*, p. 1.

MOD Advisory Boards

"Expertism", as McIntosh calls the propensity for seeking expert advice by civil servants and government ministries, is a defining feature of UK policy-making. In defence policy in particular, given the technological sophistication of weapon systems and the mostly humanistic background of civil servants, advice and counsel are sought to make sound acquisition decisions.[422] Unlike in the USA, however, there appears to exist only one standing advisory board in the UK MOD: the Defence Scientific Advisory Council (DSAC).[423] DSAC provides primarily scientific input with an eye for the development of future capability in the UK, in the context of R&D spending and the funding or defunding of specific production lines.[424] According to its website, its reports are intended to make an impact; the only report that was available online (as of 1 March 2013 through a Google search, not the council's website which does not list any publications) was a joint report published with the DSB in the USA on the DSB's website.[425] As the board and its members must "be accountable to Parliament and the public more generally for its activities and for the standard of advice it provides",[426] the absence of publicly available reports strongly indicates that the board's main addressees sit primarily in the MOD. Nonetheless, its membership indicates that the advice of DSAC is predominantly academic since most members are scholars and only one or two at any one time have relevant industry experience.

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[422] McIntosh, *Managing Britain's Defence*, p. 67.
[423] UK Ministry of Defence, Defence Scientific Advisory Council, "Membership," accessed 25 January 2014, available at https://www.gov.uk/government/organisations/defence-scientific-advisory-council/about/membership.
[424] This was confirmed in a personal interview with Gordon Lane.
[425] U.S. Department of Defense, Office of the Under Secretary of Defense (Acquisition, Technology, and Logistics), Defense Science Board and UK Ministry of Defence, Defence Scientific Advisory Council (2006), *Joint Task Force Report on Defense Critical Technologies* (London and Washington, D.C.: Ministry of Defence and Department of Defense).
[426] UK Ministry of Defence, Defence Scientific Advisory Council, "Our Governance," accessed 25 January 2014, available at https://www.gov.uk/government/organisations/defence-scientific-advisory-council/about/our-governance.

Technical Advice and Public Consultations

Technical advice and input into government and MOD deliberations occur mostly on *an ad* hoc basis and are not public, typically by invitation only, and conducted at the interface of government, trade groups, and industry. In other words, the kind of formal, regularised, and continuous work that RAND conducts in the USA – which already relies heavily on informality – is one further step removed from the public eye in the UK as it is not government policy to publicise working groups. Public consultations, on the other hand, are open to comment from all sides. As the below shows, such consultations however rarely feature credible and prominent input from actors outside industry. This is at least in part so because almost nobody outside the defence industry has the relevant experience of interacting with the official parts of the defence enterprise, let alone in the regularity that industry enjoys. In total, across the hierarchy and throughout the process cooperation and conversations are the closest and most continuous between government and generally pro-contracting advocates. The evidence presented here focuses on broader acquisition issues, while chapter VI examines logistics-related consultancy more specifically.

To begin with, contractors provide technical input to the military in operational theatres where they provide services, as well as at the Permanent Joint Headquarters (PJHQ) where employees working under the Contractors on Deployed Operations policy (CONDO) and large logistics contracts such as Operational Support Capability Contract (OSCC; currently held by KBR, formerly Contractor Logistics (CONLOG)), are embedded.[427] PJHQ occupies a central space between on-the-ground services provision on the one hand and top-level policy-making regarding the supply

[427] Telephone interview with Richard Hamber.

On OSCC see Andrew Chuter (2012), "U.K. Taps KBR for Deployment Support," in *Defense News* (02 April 2012), accessed 22 April 2014, available at http://www.defensenews.com/print/article/20120402/DEFREG01/304020005/U-K-Taps-KBR-Deployment-Support.

of military operations on the other.[428] A request filed under FOIA, asking for "logs and transcripts (if recorded) of the visits by Supreme Group UK, KBR, Serco, and DHL at the Assistant Chief of Defence Staff for Logistics Operations (ACDS (LogOps)), DE&S, and PJHQ for the years 2001-2013" was refused on the grounds that it would exceed the permissible cost of dealing with FOI requests, as it would take an estimated 60 work hours to retrieve the requested information.[429] While the statistics may not be known at this time, Mr Gordon Lane, former Managing Director Defence and Director Land at ADS called the relationship with ACDS (LogOps) and PJHQ "one of the best examples of close industry-MOD cooperation,"[430] suggesting that the FOI request would have produced a long list of entries.

Given CONDO's wide remit, its own management and further development are logical targets of industry and a locus of government-industry cooperation. Mr Richard Hamber, when interviewed for this study, served as Deputy Head of Defence Logistics Strategy and Policy at the MOD and worked under the ACDS (LogOps). In this function he was central to editing CONDO policy.[431] That process underscores the centrality of private sector input and the role of industry trade groups. According to Hamber, the day-to-day working relationship between ACDS and contractors is very collegial. Regarding CONDO policy, the main point of contact is through the trade association Aerospace, Defence, and Security (ADS). "Only today, for instance, [ADS's]

[428] Its logistics division is responsible for the logistic aspects of planning, sustaining, and returning from joint and multinational military operations. Also, CONDO "applies to all contractors including all subcontractors and their personnel who are deployed into a [joint operational area] or theatre of operation to provide commercial services to deployed operations and exercises".

UK Ministry of Defence (2012), *JSP 886 - Defence Logistics Support Chain Manual: Vol. I, Part I: Introduction to the Joint Supply Chain* (Bristol: UK Ministry of Defence), p. 3, and

UK Ministry of Defence (2006), "Interim Defence Standard 05-129, Issue 1", Contractors on Deployed Operations (CONDO) Processes and Requirements, p. 1.

[429] UK Ministry of Defence, Defence Equipment & Support (2013), "Response to Freedom of Information Request, Reference 23-05-2013-093849-002", Copy of the Author.

[430] Personal interview with Gordon Lane.

[431] Telephone interview with Richard Hamber.

man was on our floor" discussing various CONDO policy issues, with ADS's role being to bring its members' interests to bear.[432]

ADS and individual companies are also central to the design, development, and implementation of other large-scale policy changes. An open day in 2012 on the Total Support Force (TSF) – discussed in detail in chapter VI – featured ADS, some of its member companies, OEMs, and various service providers. "There is no closed door to any provider. Industry will take every opportunity to try and influence those decisions to deliver for industry a better outcome."[433] This author personally observed a similar event in late 2012 that was organised by an academic institution and aimed at bringing together private practitioners and government to discuss and move forward with the TSF.[434] By that time, the TSF had become so broadly accepted that the agenda was concerned with its improvement and public-private integration, with little discussion about its viability or basic tenets.

The same process and observations apply to more specific issues of defence services acquisition that are smaller in scope and significance than CONDO or the TSF. Logistics company DHL, for instance, is routinely and proactively approached by the MOD to provide input to working groups and projects by virtue of being the world's largest logistics company that manages and maintains its own fleet of trucks, planes, and ships, and transports gigantic volumes of cargo around the world.[435] While it is not approached specifically about whether or not to outsource, the MOD seeks input based on other government contracts DHL holds, specifically with the National Health Service. As with the industry days mentioned earlier, such consultancies are not permanent, generally informal, and often facilitated by ADS. Moreover, as Mr Paul Glanville, a Vice President for Major Projects at DHL Supply Chain put it, "we go to all

[432] Ibid.
[433] Ibid.
[434] As I attended this event on short notice, I could not obtain explicit approval by all participants to provide more identifiable details about the event or the participants.
[435] Telephone interview with Paul Glanville. Vice President for Major Projects at DHL Supply Chain (21 November 2012).

of the usual conferences and other events. ... I have been approached directly by individuals within the MOD whether we would support them and provide them with information and our opinion."[436]

But it is not only government that is proactive in seeking advice from industry; industry and its advocates are just as proactive in reiterating to holders of public office what the private sector can do, and this is typically much more than it is currently providing the government.[437] Some companies' business development divisions develop contracting vehicles similar to CONLOG and pitch them to PJHQ, DE&S, or ACDS (LogOps) depending on who the most appropriate addressee is. Others use their opportunities of engaging with the MOD to "shape their thinking about what they want or need" in such a way that advantages their employer in a potential future contract competition.[438] It is reasonable to assume that advice on business practices, especially from successful and large companies, is highly likely to lead government to opt for a business source (if that decision had not already been taken) regardless of whether that advice was given in a formal or informal setting and whether it concerns a specific service or business practices more generally. As Hamber points out, industry attempts to gain access and provide input at all levels, however, "there is no set venue whereby we open the doors to the market. It is almost an uncoordinated approach in terms of the proactive suggestions."[439] Moreover, many defence services and equipment firms employ retired military officers who provide advice to ministers. Given their intimate knowledge of ongoing government deliberations, they often approach ministers and others in government and, "based on their experience, say 'this is what we *think* you will be doing next – let us help you

[436] Ibid.
[437] This point was made by numerous interviewees, most clearly perhaps in a telephone interview with Richard Hamber.
[438] Personal interviews with anonymous. Senior and Mid-Level UK Industry Sources (2013).
[439] Telephone interview with Richard Hamber.

plan and proceed.'"[440] Industry's proactive input is thus broadly informed by earlier declarations of government, and typically serves to reinforce and enable government's views while steering them in an industry-friendly direction.

On this relatively policy-specific level, there are no NGOs or other actors interested in government oversight; the UK has no equivalent to POGO that scrutinises MOD decision-making. Hamber's explanation underscores the technicalisation and relative depoliticisation of this kind of acquisition decisions. "It is not politicised, not out in the open. The formal conclusion is technical, about contractual discourse, and eventually closing a contract through a process of competition."[441] Other experts concur, with former ACDS (LogOps) Maj. Gen. (ret) David Shouesmith saying that "overall there are rather few who are sufficiently knowledgeable and credible" regarding defence acquisition policy other than the National Audit Office or the think tank RUSI.[442] Much like advisory boards in the USA, therefore, this process in the UK is defined by informality, a greater lack of salience and accessibility to outsiders, and a common-sense targeting of industry representatives for expert knowledge. While the absence of potential veto-players and the highly technical nature of the process may be unsurprising at this level, the following evidence shows that the same is also the case in public consultations and strategic defence review processes.

While the above concerned relatively policy-specific issues, the same observations apply to the higher strategic level of defence services acquisition policy in the UK. First, MOD regularly publishes Green Papers and invites comments from the public before the papers are revised and published as White Papers. A good

[440] Ibid.
[441] Ibid.
[442] Personal interview (2013) with David Shouesmith. The point was confirmed in a personal interview with Maj. Gen. (ret) Jeff Mason and Col. (ret) David Wiggins. respectively Former ACDS (LogOps), now Commercial Director Europe and Commonwealth at Supreme Group UK, and Business Development Manager, Supreme Group Europe. Supreme Group UK Offices, London (16 July 2013).

example is the MOD's White Paper on "National Security through Technology" from 2012,[443] that was preceded by a consultation paper.[444] The White Paper repeatedly stresses the importance of technology in the "support to current defence and security operations", and establishes and reaffirms policies that are centred on the market and that target civilian industry's innovation and products.[445] The accompanying consultation paper notes that "[as] might be expected, the largest grouping amongst those responding was associated in some way with the supply of defence security products and services."[446] Moreover, confirming the above, industry's "responses overwhelmingly argued that the private sector could play a greater role in providing defence support across all lines of development."[447] The summary of consultation events and the list of stakeholders involved affirms the close contact between government departments, companies, and trade associations, while labour, for instance, is not mentioned once.[448] While some of the events listed were publicised on the Defence Consultations website and invitations were extended to members of the public who had demonstrated their interest in the consultation,[449] many other similar consultation events would not be advertised publicly.

It may not be surprising that industry is very present and active in consultation papers on topics such as technology in national security. This is a domain in which industry is heavily involved in research, development, production, and the supply of the armed forces. The same however also applies to comprehensive consultations and government reviews such as the 2010 Strategic Defence and Security Review. A House of Commons Defence Committee Report noted one month

[443] See UK MOD, *Technology White Paper*.
[444] See UK Ministry of Defence (2012), *Equipment, Support, and Technology for UK Defence and Security: a Consultation Paper*, Cm 8277 (London: The Stationery Office).
[445] UK MOD, *Technology White Paper*, pp. 16, 20.
[446] UK MOD, *Equipment, Support, and Technology Consultation Paper*, p. 5.
[447] Ibid, p. 11.
[448] Ibid, p. 6.
[449] Ibid.

before the SDSR's publication that "[there] has been limited consultation this time."[450] Underscoring RUSI's place in UK defence strategic discourse, then-Secretary of Defence Liam Fox gave a speech at the think tank on 14 June 2010 on the ongoing SDSR process,[451] while it was not undergoing significant debate elsewhere. The few elaborate comments that were made during the consultation period were made by industry, underscoring that even when given the opportunity, civil society organisations and even most think tanks do not engage in defence policy with remotely the same insistence as on policy issues where the population is the more obvious and direct "consumer", such as education or health policy. More pressingly, there is no way to ascertain if any potentially valuable comments made online by individual interested members of the public would be able to have any noticeable effect on top-level defence strategy.[452] This is especially obvious when compared to the potential impact of dedicated consultation workshops and conferences. As Mr Hamber pointed out, the government explicitly sought industry's input into its deliberations; the government's decision to open up the MOD to contractorisation of support responsibilities, announced in the 2010 SDSR, was thus informed by industry in a broader sense. The government is being very forward leaning, asking industry to suggest areas in which it can take over responsibilities from the military[453] and to consult government "on the art of the possible, which was then reflected in the White Paper."[454] As noted earlier, industry's insights into the daily concerns of government are very detailed, as Mr Lane confirms: "if we do not recognise what appears in a Green Paper and it is the first time we have seen those issues or those points raised,

[450] UK House, Defence Committee, *SDSR, First Report*, p. 6.
[451] Fox, "Speech: SDSR".
[452] Cf. the SDSR's online consultation: UK Ministry of Defence, "Adaptability and Partnership: Issues for the Strategic Defence Review," accessed 29 January 2014, available at http://webarchive.nationalarchives.gov.uk/20100905104116/http://www.defenceconsultations.org.uk/.
[453] Personal interview with Gordon Lane.
[454] Telephone interview with Richard Hamber.

then I think we would feel something has gone wrong."[455] A Green Paper, it should be noted, is merely the basis of the subsequent debate, not the final, policy-setting report. Industry is thus intimately informed and generally involved in the process that frames the *fundamentals* of the debate.

With veto-points barely existing, potential veto-players are again broadly absent from these deliberations, especially as the oft-noted military resistance to change and contractorisation has dissipated in light of the experiences of Iraq and Afghanistan where the UK military would have been unable to operate without private sector services.[456] It is thus the knowhow, information, workforce, and access to decision-makers that makes industry the pre-eminent actor besides the government executive in informing defence services acquisition policy, corresponding to the technological, ideational, and economic drivers of outsourcing more generally. The continuous conversation between, for instance, ADS and the MOD testifies to this fact. The following data underscores that access to decision-makers is a privilege of exactly those actors holding the most highly valued resources, much like in the USA. It is therefore their input that is potentially most influential in shaping and informing those with the singular, politically most relevant resource: formal decision-making power, especially the defence leadership whose decisions were shown to have tremendous direct influence on the entire defence enterprise down to the lowest levels.

Interest Group Politics, Lobbying, and Access to the Defence Leadership

As noted, the leadership of the government executive is of central importance to this enquiry because of their formal decision-making power and because longer-term trends are decided and/or formalised there. While there are some forms of non-

[455] Personal interview with Gordon Lane.
[456] Afghanistan and Iraq had a tremendous effect in breaking the military's resistance to reorganisation and contractorisation of the military force structure and the competencies it retained in-house. Personal interview with Jeff Mason and telephone interview with Richard Hamber.

enforceable self-regulation, in particular codes of conduct, lobbying in the UK is not subject to external regulation.[457] Data on lobbying, in particular spending, is therefore severely limited in the UK.[458] Beginning in 2010, the government however started publishing lists of external visits to ministers and senior MOD officials that underscore industry's privileged nature of access to the defence leadership.[459] Despite its limitations this data provides significant support to the findings presented above. Data on visits to ministers and to senior staff is visualised below; the following first discusses the findings.

First, the ministers whose external visitors are listed are mostly the Defence Secretary, the Minister of State for the Armed Forces, the Minister of Defence Equipment, Support, and Technology, the Minister for International Security Strategy (the latter three listed as Parliamentary Under-Secretaries of State in 2010), and the Minister for Defence Personnel, Welfare, and Veterans (whose number of external visits significantly increased over time). For the first months, many were "introductory meetings", understandable as the government had just taken office. Over time, several companies' "purpose of meeting" became "routine call", among them BAE Systems, Rolls Royce, KBR, General Dynamics, EADS, Raytheon, and ADS.

Secondly, most visits with organisations which are non-profit or not primarily for-profit were held by the Minister for Defence Personnel, Welfare, and Veterans, and usually involved veterans' associations or other defence-related charities, while most media meetings were held by the Defence Secretary. These meetings' share increased considerably in 2013, quite possibly as a result of the winding down of operations in Afghanistan and the growing concern for the future of military welfare

[457] UK House of Commons, Public Administration Select Committee (2009), *Lobbying: Access and Influence in Whitehall*, First Report of Session 2008-09, HC 36-1, Vol. I (London: The Stationery Office), pp. 16–17.
[458] It should be noted that in the USA, although much more data is available, lobbying disclosure forms only give minimum details on the issues discussed during lobby visits, such as "contracting-related issues in NDAA draft resolution" rather than the specific interest or objective a given lobbyist is tasked with convincing their public sector counterpart of.
[459] Gov.uk, "Ministers' Meetings", and Gov.uk, "Senior Staff Meetings".

and other veterans' issues in the face of steep defence budget cuts. Union meetings, if they occurred at all, were usually held with the Minister for Defence Equipment, Support, and Technology.

Finally, except for the very few meetings with trade unions, no other societal or other veto players of relevance to defence policy, acquisition, or outsourcing are listed as having met the top ranks of the MOD.

Meetings with members of the private sector represent the vast majority, averaging at 72.4% for ministers and 91.6% for senior staff (in particular permanent secretaries, the Chief of Defence Materiel, the Vice Chief of the Defence Staff, and several other "3* and 4*" civilians and military officers), in the latter case however excluding media interviews and meetings. The defence leadership, it follows, is overwhelmingly closely in touch with its equipment and services providers on the top leadership levels of the MOD, while the middle levels were shown earlier to routinely seek advice from and consult with private sector organisations in the daily running and reforming of the MOD. The data below provides further support for the argument that the defence enterprise increasingly displays a structural "bias towards business."

Type of External Organisation → ——————— Months ↓	Unions	Charities, Military Associations, Academia, Media, other non-profits	Industry, Lobbies, Consultants	Total	% Industry, Lobbies, and Consultants
May-July 2010	1	8	23	32	71.9
Aug.-Sept. 2010	1	3	18	22	81.8
Oct.-Dec. 2010	1	2	34	37	91.9
Jan.-Mar. 2011	1	13	39	53	73.6
Apr.-June 2011	0	13	40	53	75.5
July-Sep. 2011	0	11	23	34	67.7
Oct.-Dec. 2011	2	9	24	35	68.6
Jan.-Mar. 2012	1	21	37	59	62.7
April-June 2012	1	7	28	36	77.8
July-Sep. 2012	0	7	29	36	80.6
Oct.-Dec. 2012	3	8	25	36	69.4
Jan-Mar. 2013	0	19	35	54	64.8
Apr.-June 2013	0	25	30	55	54.5

Table 4.1: Ministerial Meetings (MOD) with External Organisations and Individuals. The division into unions, charities et al, and industry et al was done by the author.

Data source: UK Ministry of Defence.[460]

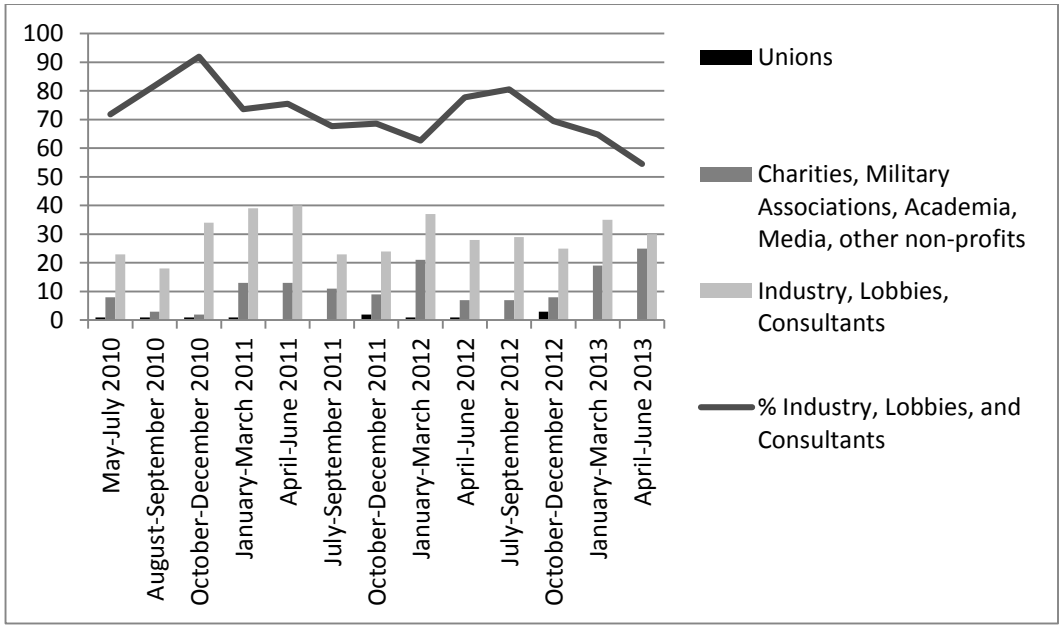

Figure 4.1: Distribution of visits by external organisations and individuals to MOD ministers and defence secretary. Columns are total numbers, line is in percent.

[460] Gov.uk, "Ministers' Gifts, Hospitality, Travel and Meetings: Transparency Data," accessed 15 December 2013, available at https://www.gov.uk/government/publications/ministers-gifts-hospitality-travel-and-meetings.

Type of External Organisation → ——————— Months ↓	Unions	Charities, Military Associations, Academia, Media, other non-profits	Industry, Lobbies, Consultants	Total	% Industry, Lobbies, and Consultants
Oct.-Dec. 2010	0	1	10	11	90.9
Jan.-Mar. 2011	0	4	23	27	85.2
Apr.-June 2011	0	0	10	10	100
July-Sep. 2011	0	0	10	10	100
Oct.-Dec. 2011	0	1	13	14	92.9
Jan.-Mar. 2012	0	0	35	35	100
April-June 2012	0	8	48	56	85.7
July-Sep. 2012	0	18	87	105	82.9
Oct.-Dec. 2012	0	4	77	81	95.1
Jan-Mar. 2013	0	10	55	65	84.6
Apr.-June 2013	0	11	107	118	90.7

Table 4.2: Senior Staff Meetings (MOD) with External Organisations and Individuals. The division into unions, charities et al, and industry et al was done by the author.

Data source: UK Ministry of Defence.[461]

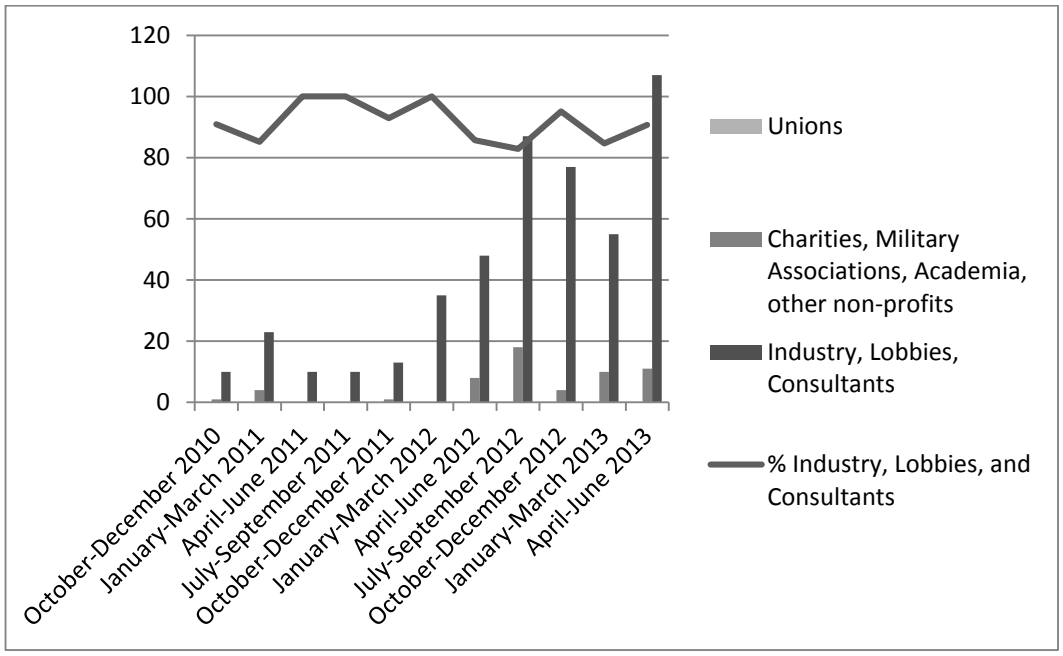

Figure 4.2: Distribution of visits by external organisations and individuals to MOD senior staff. Columns are total numbers, line is in percent.

[461] Gov.uk, "Senior Staff Meetings: Transparency Data," accessed 15 December 2013, available at https://www.gov.uk/government/publications/senior-staff-meetings.

IV. 2. The Structure of the Defence Services Acquisition Policy Networks in the USA and the UK

Based on the observations above, this chapter now turns to mapping the US and UK defence services acquisition policy networks (visualised at the end of this section), and then to deducing the networks' structure, sectoralisation, and system integration. Internally, the networks' structures are defined by the advocacy coalitions and their relative distribution of power, while on their margins the networks are defined by their 'place' in the wider context of government policy, especially their autonomy from or penetrability to external forces. Collectively, these dimensions heavily determine the future trajectory of defence policy-making as they delineate the internal and external avenues of continuity and change. As the next sections show, both networks display a "bias towards business" that is manifested in the admission, the composition, and the likely trajectories of the networks. The high end of defence services acquisition policy is thus unlikely to experience significant change in the foreseeable future.

IV. 2. i. Advocacy Coalitions and the Distribution of Resources

The defence services acquisition policy networks each comprise two relevant advocacy coalitions; first, a group that advocates a profitable, healthy, and sizeable defence-industrial base, a core competency military and government, and comprehensive contractorisation of non-inherently governmental functions; and secondly one that is critical of defence services acquisition and spending practices, that argues for tighter oversight and good governance, but that – except for some labour unions – does not take a principled stand against contracting as such.

Notable through their relative absence in either of the coalitions are political parties as collective organisations, as well as civil society actors as outlets for public opinion. Neither appears to have a tangible effect on the continuous, day-to-day

workings and realignments of defence, or even on the general course of foreign and defence policy.[462] The coalition resource 'public opinion' can therefore rightly be dismissed for being insignificant; the negligible number of non-mainstream comments on Green Papers in the UK or on government studies in the USA testifies to this assessment, and will receive further support by the evidence presented in later chapters.

Moreover, the military has been shown to be of significantly reduced relevance in acquisition decisions. As Gholz and Sapolsky showed, the military's relative loss of expertise was accompanied by the growth of knowhow of the private sector and industry's resulting significant influence on acquisition.[463] At the same time, the military's resistance to change and contractorisation more specifically was shown to have been broken by the experience of relying on contractors in Iraq and Afghanistan.

These observations are critical to the wider issue of an apparent lack of credible and powerful potential veto-players.

The Pro-Contracting Coalition

The first coalition, as noted, aims for a profitable, healthy, sizeable, and ideally expanding defence-industrial base, and simultaneously advocates for the entrepreneurial ideals that drove the evolution of the US and UK defence enterprises since the 1960s: managerialism, best business practices, and technological superiority that lead to core competency and sweeping contractorisation. Regarding

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[462] In foreign and defence policy, probably more so than in every other policy domain, states and governments go to great lengths to stress traditions and continuity. In sharp contrast to social policies such education, health, or infrastructure, even weighty issues such as the "pivot" to the Pacific which is seen by many as heralding a new Cold War between the USA and China have not elicited social or even parliamentary protest of any significance. On disinterest see e.g. Rothkopf, *Running the World*, pp. 3–5, Self, *British Foreign and Defence Policy since 1945*, pp. 255–259, or Hopkinson, *Making British Defence*, pp. 92–94.

On the favouring of producers over consumers by democratic governments, see Hartley, *Economics of Defence Policy*, pp. 88–89.

[463] Eugene Gholz and Harvey M. Sapolsky (1999/2000), "Restructuring the U.S. Defense Industry," in *International Security*, Vol. 24, No. 3, pp. 5–51, at p. 16.

ideas and beliefs, this coalition is generally biased towards industry and against government as service providers, with the ill-defined border of 'inherently governmental' being the only limit. Among its fundamental beliefs are the conviction that business is generally more efficient and effective at providing services, and that government should generally avoid competing with citizens for work. It was shown to be exceptionally successful in the policy fights that it participates in.

This coalition's membership – besides the defence industry itself – comprises industry groups such as the National Defense Industrial Association and the PSC in the USA or ADS in the UK, specialised best business advocates such as BENS, and selected think tanks such as the Lexington Institute,[464] or CSIS (to a lesser degree).[465] It also comprises individuals such as Jacques Gansler who served in government, industry, and now academia and is widely acknowledged as a leading expert on acquisition matters.[466] Advisory boards in the USA and the various task groups in the UK also generally fall into this camp as they have been shown to display an institutional bias towards applying business solutions; this is in fact the formal function of the DBB. Finally, this coalition includes the vast number of consultancies who – more often than not staffed with former members of Congress, the government bureaucracy, or their staffers – specifically target defence acquisition policies. They

[464] Lexington's Vice President, Dr Daniel Gouré, argued that industry does not have a voice among think tanks in Washington, D.C. when it comes to acquisition, logistics, and services. Therefore, "we are its voice." Personal interview with Daniel Gouré.

[465] While other think tanks or institutions may also participate in acquisition and contracting-related debates, the leadership is mostly composed of the named actors. For instance, the Lexington Institute's Daniel Gouré and Loren Thompson, and the PSC's Stan Soloway are quoted almost on a daily basis by specialist and political publications in Washington, D.C. such as *Politico*, *The Hill*, *Government Executive*, and numerous others.

[466] Gansler's membership in this coalition is illustrated for instance in his assertion in 2009 that there was a "global war on contractors". Cf. Elizabeth Newell Jochum (2009), "Former Defense Acquisition Chief Warns against 'Global War on Contractors'," in *Government Executive* (06 November 2009), accessed 30 January 2014, available at http://www.govexec.com/defense/2009/11/former-defense-acquisition-chief-warns-against-global-war-on-contractors/30300/.

advertise their employees' personal experience and connection to the various institutions of government and centres of power.[467]

Those who work full-time towards furthering the goals of their coalition are particularly noteworthy. Lobbyists in the USA, for instance, are not only numerous, but they participate intimately in the drafting of legislation. They leverage their knowledge of and deep links into congressional networks of staffers and lawmakers with whom they view themselves as forming one policy-making community. *Politico* quotes a defence lobbyist as saying that "I'm working so hard on [the NDAA], but

[467] Cf. CREW, *Revolving Door*.

The Pentagon in 1996 stopped keeping records and statistics about former civilian and military officials who were hired by private contractors, which had previously been a legal requirement. See Dina Rasor and Robert Bauman (2007), *Betraying Our Troops: the Destructive Results of Privatizing War* (New York: Palgrave Macmillan), p. 171. The repeal of this law coincided with the rapid acceleration of military contractorisation. Researchers therefore have to rely on NGOs such as CREW (cited above) or, for instance, *Open Secrets*.

A search on the revolving door database at *Open Secrets* demonstrates how a vast number of former government employees move in and out of the private sector. When following up on a random sample of consultancies mentioned there, without exception these consultancies praise the combined experience of their staff "on the Hill" as operating as door-openers to government and agencies for their prospective clients. Access to decision-makers, as was argued in chapter I, therefore clearly functions as its own resource in this network, not only the membership of government individuals who can take binding decisions. See Open Secrets, "Top Agencies," accessed 30 January 2014, available at http://www.opensecrets.org/revolving/top.php?display=G for individuals by department; and Open Secrets, "Top Lobbying Firms," accessed 30 January 2014, available at http://www.opensecrets.org/revolving/top.php?display=F for the lobbying firms and consultancies with the highest number of former government employees.

This applies to five of the largest such firms which were selected here randomly and which work on national security issues: Akin Gump et al, Cassidy and Associates, Van Scoyoc Associates, Covington and Burling, and The Spectrum Group. Their pitches read "Our Access begins with our members – true leaders in their fields, who have served at the highest levels of the military, government and industry" (Spectrum Group, "About Us," accessed 30 January 2014, available at http://www.spectrumgrp.com/about-us), "Members of our team have years of senior U.S. government experience: Members of Congress who served on the House Appropriations and Armed Services and Senate Foreign Relations committees, Chief of Staff to the Secretary of Defense, Assistant Secretary of State for Political-Military Affairs, Director, National Security Council" (Akin Gump, "Experience: National Security," accessed 30 January 2014, available at http://www.akingump.com/en/experience/industries/national-security/index.html), "Our team includes hands on experts with substantial experience in national security and the intricate procedures related to Congress and the Executive Branch" (Cassidy, "National Security and Defense," accessed 30 January 2014, available at http://www.cassidy.com/industries/30/), "We have over 150 years of combined national security experience in the Executive and Legislative Branches of Government and private industry" (Van Scoyoc, "Practice Areas: Defense," accessed 30 January 2014, available at http://www.vsadc.com/practices/defense/), or "Many of our senior lawyers and professionals have served in key homeland and national security positions, including former Secretary of Homeland Security Michael Chertoff" (Covington and Burling, "Practices, Industries & Regions: Defense, Homeland & National Security," accessed 30 January 2014, available at http://www.cov.com/industry/defense_homeland_and_national_security/).

every time I lift my head up, it's another report on Benghazi or Petraeus. I'm still laser-focused on NDAA. There's a consensus among staff and members that there will be a bill done. I think it is still in a good place."[468] Yet closer to policy formulation, Akin Gump points out that "[many] members of our team have Top Secret security clearances to handle even the highest-level transactions."[469] The quotes above about the constant conversation of ADS with the UK government, and its certainty to know the contents even of Green Papers before they are published, indicate that principally the same – albeit on a smaller scale – is also the case in the UK.[470] As quoted earlier, McIntosh, the former chief of defence procurement pointed out in 1992 that the MOD "recognises an obligation to keep industry as well acquainted as possible with [its] future requirements, to enable industry to make informed decisions about the direction of its business. Ministers have made clear their commitment to this policy"[471] which meant that the government had to be responsive to the needs of industry. In 1991, regarding individual projects, "most companies [knew] as much as there [was] to know about the status of projects in which they [had] an interest through informal contacts with staffs in the procurement executive and in operational requirements."[472]

This coalition was shown to hold substantial amounts of all resources that are relevant to the drivers of military outsourcing: it has access to the industry's vast financial resources; it owns or represents the technical, technological, and best business information, knowhow, and technologies that were shown to be valued most

[468] Mak, "Defense industry cautiously upbeat". Advocating particular sections of the NDAA is common practice; see above on commercial items and the descriptions of measuring success (small parts of legislation getting passed or blocked), and below in chapter VI on performance-based logistics in the 2013 NDAA.

He is referring to the simultaneous public attention to an attack on the U.S. consulate in Benghazi, Libya, and Gen. (ret.) David Petraeus' extramarital affair.

[469] Akin Gump, "Experience". The sample companies in footnote 467 also advertise to prospective clients such successes and participations in policy formulation and introducing client products, concerns, and input to government.

[470] Cf. personal interview with Gordon Lane.

[471] McIntosh, "Defence Procurement Policy", p. 74.

[472] Ibid.

in the network, and has the means to circulate them widely; it comprises or is in regular close contact with individuals and organisations that hold formal decision-making authority; and it has highly effective leaderships and the necessary manpower resources to cover the entire political spectrum from leaderships to staffers and those implementing policy on the ground. This is reinforced by the high turnover of individuals rotating between private sector and government jobs.[473] Interviewees in both countries routinely relayed stories of incidents in which government officials refer to private sector employees as "Sir" because they had previously been their commanding officer.[474]

By means of illustration, it is worth relaying the case of Mr Soloway to grasp the scope of the phenomenon of imbalanced access. Not only is the PSC routinely invited to participate in advisory board studies by DOD as noted earlier; Mr Soloway also noted that he personally has discussions at higher levels, with the Deputy Chiefs at the Joint Chiefs of Staff and senior Army leaders (especially at Army Materiel Command), and that he has worked closely with the inspectors general, the oversight community, the Government Accountability Office, and "certain think tanks, particularly the CSIS who had a number of programmes on post-conflict resolution that Rick Barton led, he is now Assistance Secretary of State."[475] Mr Soloway moreover had a personal relationship with the then-Deputy Secretary of Defense, "and that was true also of his predecessor." Then-Deputy Secretary of Defense Ash Carter had been to the PSC twice to speak to the group's members, had conducted a roundtable together with his USD (AT&L) shortly before our interview, and had also participated in meetings that included the Secretary of Defense Leon Panetta, the USD

[473] For some of the more noteworthy cases of how Pentagon contractors strategically hire former members and advisers of government, which can lead to contractors effectively taking over a portfolio from a federal agency, see Isenberg, *Shadow Force*, pp. 63–66.

Contractors in the UK also highlight their acquisition of military expertise by hiring retired officers. See e.g. Supreme Group, "Client Sectors: Supreme UK," accessed 30 January 2014, available at http://www.supreme-group.net/client-sectors/supreme-uk.

[474] See e.g. telephone interview with Paul Glanville.

[475] Personal interview with Stan Soloway.

(AT&L), the PSC, and other actors – "about thirty altogether."[476] Given the noted time pressures in the executive leadership, and the necessity of "going where the substance is", Soloway assumes that these top-level interactions occur because the defence leadership wants it known to PSC-members as well as the public that it is concerned with the effects of defence budget cuts "because there are other forces out there."[477] As chapter VI shows, the same is also fundamentally true in the UK, where ADS, for instance, is engaged not only in continuous conversation as was outlined above, but also engages in task groups on specific policy implementation.[478]

The PSC and other organisations' approach is very strategic. PSC targets the thought leadership – that it belongs to itself – to eventually "impact policy". This operates for instance by collaborating with think tanks, the media, or senior executive and legislative officials. The organisation's leaders Mr Soloway and Mr Chvotkin also published, for instance, a well-argued chapter on federal contracting in a much-cited edited volume published by Harvard University Press.[479] The PSC also focuses on "direct policy impact", which goes beyond the informal exchanges and may involve publishing and circulating White Papers to lawmakers and their staffers, and discussing them and emerging related issues repeatedly in order to shape the discourse about and perceptions of these issues.[480] The PSC was also, for instance, the

[476] Ibid.
[477] Ibid.
[478] See personal interview with Gordon Lane.
[479] Stan Soloway and Alan Chvotkin (2009), "Federal Contracting in Context: What Drives It, How to Improve It," in *Government by Contract: Outsourcing and American Democracy*, eds Jody Freeman and Martha Minow (Cambridge, MA: Harvard University Press), pp. 192–240.

They argue that recent government outsourcing was not driven by political ideology but rather by a "fundamental shift in the role and ownership of technology, nearly revolutionary change in the management of businesses and institutions of all kinds, and difficulties on the part of the government in recruiting and retaining the talent necessary for technologically driven service delivery." Ibid, p. 192.

On the micro-level, their argument thus partly resonates with the one developed here, but lacks the broader analysis which accounts for the contextuality of these drivers which are not neutral or historical necessities but rather the result of a confluence of historically contingent factors and developments, including ideology. On the role of ideology in outsourcing, see the definitive work by Krahmann, *States, Citizens*.

[480] Mr Soloway confirmed that "thematically a lot gets done informally. ... We have informal conversations with people all the time, but when there is any significant policy issue it is

only private sector organisation that was invited by the Special Inspector General for Iraq Reconstruction (SIGIR) to participate in all sessions devoted to "lessons learned", and also co-chaired a similar review with the Commanding General of Army Material Command.[481] Similarly, BENS publishes studies whose task forces often include former senior officials who should be well-connected in government. BENS regards itself as a "do tank" which combines advocacy (but not formal lobbying), studies, and networking[482] in order to further their vision of a business-like government which generally draws on the market for non-core functions. A particularly telling example thereof is a mentoring project in which BENS gained privileged access to and critiqued papers written at the Industrial College of the Armed Forces,[483] a senior military college, to add a "private sector perspective" to the students' strategy papers.[484]

Finally, the role played by these and similar organisations multiplies these effects: PSC, ADS, BENS, and others not only have privileged direct access to decision-makers, but they also facilitate such contact for their members, for instance at a luncheon series at PSC that routinely features senior government officials,[485] and similar events at ADS's offices in London.[486] By extending their own outstanding access to partners and clients, they represent key nodes in their coalitions and the

almost always memorialised in writing, so in the end it is becoming a transparent process." Personal interview with Stan Soloway.

[481] Ibid. See also Professional Services Council (2012), "Statement for the Record of the Professional Services Council, S. 2139 'The Comprehensive Contingency Contracting Reform Act of 2012', before the Subcommittee on Contracting Oversight, Committee on Homeland Security and Government Affairs, U.S. Senate, 17 April 2012", accessed 31 January 2014, available at http://www.hsgac.senate.gov/download/professional-services-council-statement-for-the-record, p. 2.

[482] Susan Maybaumwisniewski in a personal interview with Paul Taibl and Susan Maybaumwisniewski. Both interviewees state that BENS does not lobby but that it does routinely sign on to other lobbies' efforts or letters together with other organisation to lend its name in support of policy issues.

[483] See Business Executives for National Security (2011), *Annual Report 2011* (Washington, D.C.: Business Executives for National Security), pp. 14–15.

[484] Paul Taibl in a personal interview with Paul Taibl and Susan Maybaumwisniewski.

[485] Personal interview with Stan Soloway.

[486] Mr Taibl from BENS put it this way: "Our members are given access to some fairly high-level, senior government officials … that they would not otherwise have", and vice versa. Personal interview with Paul Taibl and Susan Maybaumwisniewski.

overall network as their activities and input operate throughout the formal and informal processes and across the hierarchy of the policy network.

The Good Government and Critical Oversight Coalition

The contrast between the pro-contracting coalition and its opponents is stark. The most forceful opponent of the pro-contracting coalition in the USA are the government worker's unions, whose prime interest is the social and economic well-being of the federal government's workforce. They are well-funded and have strong connections to Congress. They however suffer from a comparative shortage of the most valued resources that their opponents hold en masse – intellectual property rights to high-tech equipment, entrepreneurial experience, contacts to the government executive, and access to advisory channels. Moreover, unions are virtually irrelevant regarding overseas contracting.[487]

Therefore, the most relevant coalition critical of overseas contracting was one that broadly conceives of itself as championing good government and oversight. Their key concern is the way government spends money. They therefore advocate a more transparent, arms-length relationship between government and its suppliers, hoping that this would reduce bad spending practices, waste, fraud, and abuse.[488] Given their call for a less "cosy" relationship between government and contractors, this coalition generally views arrangements critically that emphasise the shared nature of the government and industry's interests rather than enforce competition both between the government and the market and between companies. Even though this coalition is not opposed to business or contracting in principle, POGO, for instance, is seen to have an entirely separate philosophical worldview than the PSC.[489] POGO is possibly the most salient in the USA but not the only one. It often joins forces in its lobbying efforts with other organisations such as Taxpayers for Common Sense, CREW, and

[487] See e.g. Personal interview with Gordon Lane and personal interview with Stan Soloway.
[488] E.g. Personal interview with Scott Amey.
[489] Personal interview with Stan Soloway.

selected members of Congress such as Senators Claire McCaskill and John McCain. In the UK, there apparently does not exist a single comparable NGO or advocacy group that compares to POGO, meaning that in both states those in this coalition, who work full-time for their convictions, either do not exist or certainly do not compare in the least with the likes of the PSC, ADS, and others.[490]

While the members of this coalition are chronically under-funded, many of them enjoy very skilful leadership, are very savvy in the use of the media, well-connected to journalists, and have limited access to members of the legislature. As a result, POGO's work for instance regularly features favourably in the news, such as its *Bad Business* report both in the media and the noted congressional hearing.[491] Their manpower and financial resources however are too limited to enable long-term, deep informal engagement; it lacks close access to the government executive that the pro-contracting coalition enjoys and that was shown to be of central relevance in the policy deliberation and development process. And it does not bring the credentials and use the buzzwords that the entire mainstream discourse and government processes reward with funding and access: best business practices, a core competency government, and the emulation of the private sector in the production of public goods and services. Finally, importantly, while many contracting advocates have direct stakes in the industry, this coalition does not have comparatively direct and high stakes in overseas contracting because unions and the military (who could act as self-interested veto-players) are out of the picture. It thus cannot create comparatively salient veto-points as the pro-contracting coalition.

[490] Regarding the absence of comparable groups in the UK, all interviewees without exception – from industry and government – agreed that no actor is devoted to policy change that directly targets contracting. The National Audit Office is one example that is seen as potentially critical, yet its remit is limited and depends on the individual will of its members at any point in time to examine government spending. See e.g. personal interview (2013) with David Shouesmith, personal interview with Jeff Mason and David Wiggins, and personal interview with Gordon Lane.

[491] See Homeland Security & Governmental Affairs Contracting Oversight Subcommittee, "Contractor Cost Hearing".

To illustrate, Mr Amey from POGO offered a quote that stands out in sharp contrast to the list of close personal and professional contacts of the PSC's Mr Soloway. Asked whether POGO had access to DOD, for example the Office of the USD (AT&L) which is one of the main spenders and actors within DOD shaping the very policies POGO spends most time scrutinising, Mr Amey replied "we may send them a letter".[492] He also succinctly illustrated the comparative lack of resources, especially access:

> POGO is not in business to make money. ... Are we as well connected ...? Probably not. Do we have former admirals and generals on our staff that can get us inside the Pentagon and get information leaked to us before it gets out and give us a heads up? Do we have a former congressman who works at POGO? No, I do not even have any on our board. ... People do not retire and think they want to retire from senior government service and go work at POGO.[493]

In contrast, already in the 1950s businesses hired former officers because of their prestige, skills, and expertise in various non-military technical fields and dealing with DOD. The National Security Industrial Association was founded in 1944 to ensure a lasting proximity between industry and the armed services, which had not been maintained after World War I. Thus, already in the 1950s thousands were leaving the military to work in the private for-profit sector,[494] a trend that continues unabated. Amey thus concludes that "we are in an uphill battle."[495] To illustrate further, a Google-search on 09 March 2013 for "'Project on Government Oversight' site:defense.gov" brought up 39 results only, all of which were either re-postings of POGO publications by the PR division of the DOD website, or were reports mentioning or citing POGO in some other context. There was only one instance of direct communication in which a POGO-member asked somebody a question at a

[492] Personal interview with Scott Amey.
[493] Ibid.
[494] Samuel P. Huntington (1957), *The Soldier and the State: The Theory and Politics of Civil-Military Relations* (Cambridge, MA: Belknap Press of Harvard University Press), pp. 364–366.
[495] Personal interview with Scott Amey.

roundtable. A search on the same day for "'Professional Services Council' site:defense.gov" delivered 118 results, several of which were transcripts of speeches held by DOD officials at PSC-organised events, and DSB or DBB reports. Thus, not only is access very limited, but overall the actors from the first group, mostly working for-profit, vastly outweigh their issue-based veto-players both in numbers and resources.

Actors with "Formal Decision-Making Power"

Actors holding the differentiating resource of "formal decision-making authority" are found in both coalitions, but much more commonly in the pro-contracting coalition. Government leaders and others from the executive branch were however shown to take contracting as a given and are working towards improving its practice, not questioning whether it is the right policy. It was in fact the executive leadership in particular that brought about expansive outsourcing since the 1980s, and the defence enterprise offers no incentives to anybody, especially in the leadership, to oppose the outsourcing drive. According to a former programme analyst in the US Army, senior defence officials only have a limited future in government and thus need not worry about being victims of outsourcing. The same applies to most senior military officers beyond the rank of colonel, whose numbers increased while those of lower level officials – likely opponents – were cut by up to 50 percent.[496] Overall, the executive is under considerable influence from industry throughout the policy process; in other words, its autonomy is limited, and much more so in the USA than in the UK given industry's higher presence in top-level strategic deliberations.

Lawmakers, on the other hand, while not entirely absent from these decisions, are of secondary relevance at best. In the USA, members of Congress and their staffers are focal points of budgetary questions, including those on the broad lines of defence

[496] Brower, "Vogue of DOD Outsourcing", pp. 388–389.

spending.[497] They are not defined by leadership, money, or technical knowhow, but their own legally binding decision-making authority and their access across the political arena which make them cherished members of any advocacy coalition. Their membership in advocacy coalitions is particularly issue-based, as their mandate is not limited to a particular agenda or issue area unlike most of the actors identified above. Overall, some exceptions notwithstanding, the overall thrust in both the Congress and the UK Parliament supports defence spending as essential to the economy in general, and to jobs creation (in their districts) in particular.[498]

Moreover, members of both Parliaments, the US Congress in particular, do not make use of the limited prerogatives they have to influence oversight of defence spending in general and contractorisation more generally. As a senior UK government source with experience in both the UK and US defence enterprises pointed out, British defence policy is not circumscribed by many laws. As a result, significant decisions such as base closures can be decided and implemented with very limited influence from Parliament; this pales in comparison to the Congressional fights in the 1990s about base closures in the USA.[499] This is at heart a constitutional matter, as the British Parliament essentially reviews policy after being decided,[500] whereas the US Congress has powers to micromanage the activities of the DOD by controlling "line items" in individual bills. The UK Parliament could only use a "sort of nuclear option" if it was displeased with a particular practice, namely bringing down the entire government, but it cannot force the government to change an individual practice.[501] Nonetheless, Congress shows huge disinterest in and a lack of awareness for defence services contracting,[502] and thus does not exert nearly the influence that it could to

[497] Interviewees stated that they would begin targeting members of staff of particular members of Congress depending on the issue.
[498] See e.g. Croft et al., *Britain and Defence 1945-2000*, p. 110.
[499] Interviews with senior and mid-level UK government sources.
[500] Dorey, *Policy Making in Britain*, p. 162.
[501] Interviews with senior and mid-level UK government sources
[502] See e.g. Dickinson, *Outsourcing War and Peace*, pp. 8–9.

check the executive's conduct of defence services acquisition policy. Both the policy trajectory and its reaffirmation which were identified in the preceding three chapters are therefore mostly undisturbed by the legislature which is currently not a likely source of change.

While the list of specific names of actors and organisations above is certainly not complete, the typology of actors is nonetheless representative. On the one hand, corresponding to the method of reputational research, many interviewees and organisations proactively and independently from one another identified the others – be it as allies or adversaries – who were named and partly interviewed above as key actors. This is reinforced by the fact that with very few exceptions the method of interviewee identification and recruitment was not "snowballing", where such mutual referencing would be likely, but rather primary and secondary research. Various sources, from newspaper reports to Congressional hearings support the assertion that the identified actors are an accurate, representative sample. As they furthermore act in coalition, not naming for instance a smaller good government NGO than POGO is not a real problem since the larger, identified actors above routinely lend their name to efforts by smaller actors, and conversely invite "sign-ons" by other, like-minded advocates.

Drawing all of the above together, the DSAPNs in the USA and the UK broadly resemble the illustration below. It contains both advocacy coalitions as well as specific groups of actors who were shown to 'stand on their own feet' in the process and take on a specific function that is worth pointing out without collectively belonging to either coalition.

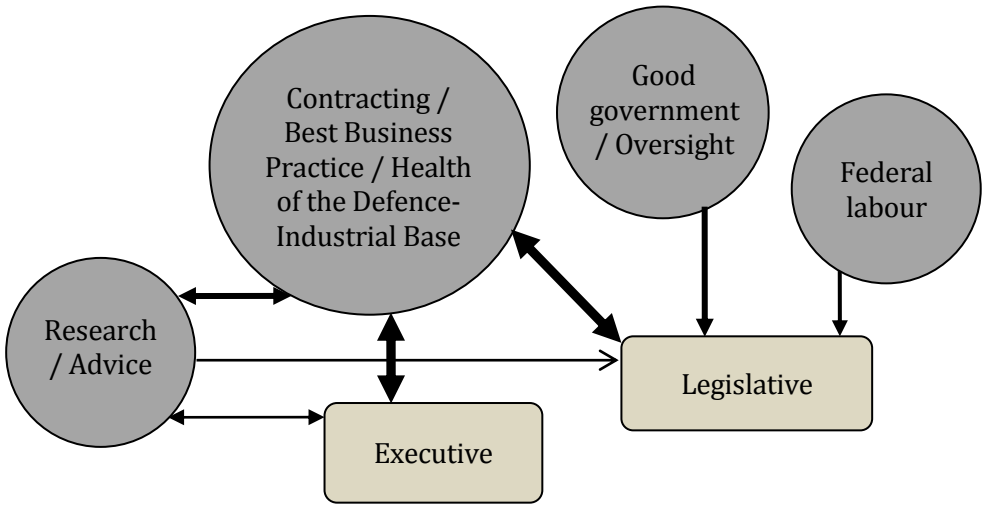

Figure 4.3: The US Defence Services Acquisition Policy Network by coalitions, types of actors, and branch of government; their relationships, and the degrees of input, access, and personnel exchange are indicated by the arrows (the thicker the arrow, the more intensive they are; the directions of the arrows indicate the direction of input). The UK network lacks "good government / oversight" and "federal labour".

IV. 2. ii. Sectoralisation, System Integration, and Selectivity

To recapitulate, sectoralisation describes the degree to which the network is isolated from other policy domains, and regulates "spill-overs" of problems and processes from elsewhere. System integration describes the extent to which a policy domain is ideologically and institutionally affiliated with broader state components. Selectivity, finally, concerns how the network's structure affects what alternatives to the status quo are thinkable and which policy trajectories therefore likely.[503]

Sectoralisation and System Integration

The analyses above and in the two preceding chapters strongly suggest that defence policy-making in the USA and the UK, particularly acquisition, are most susceptible to three partly related external forces: fiscal health and policies, technological developments, and the security environment. When economists began

[503] Döhler, "Policy Networks", pp. 243, 251.

to turn their eye toward reforming the public sector along rationalist lines in the 1950s,[504] the defence sector followed suit shortly thereafter in the 1960s. The outsourcing drive was furthermore shown to have occurred under the influence of the growing gap between grand strategic objectives, military commitments, and technological demands on the one hand, and the limited resources available to supply them on the other, which was exacerbated by the peace dividend following the "shock" to the security environment at the end of the Cold War. That shock however worked to reaffirm and accelerate contractorisation and pursue 'more of the same', not to provoke critical introspection.

At the same time, however, defence is considerably more hedged against external influences, in particular budgetary pressures, than virtually any other domain. Its direct association with national security means that assaults on defence in general and – in the case of the USA where the industry is central to its national security architecture – on defence spending in particular are interpreted by the mainstream as assaults on the wider political system. In the 1980s, when the wholesale reorganisation of government and the role of the state in providing public services gained traction, defence was overall spared from the cuts to public spending; defence spending in fact increased in the 1980s.[505] And while the defence budget cuts – more severe in the UK than the USA – following the fiscal and economic crisis that began in 2008 may suggest that defence's sectoralisation and system integration are more limited than is claimed here, two observations should be noted. First, the fact that the cuts are more severe in the UK strongly supports the contention that the UK's defence industry is of much reduced centrality to UK national security than is the case in the USA, and that the UK's defence budget does not have any reserves that would

[504] Richard C. Box (1999), "Running Government Like a Business: Implications for Public Administration Theory and Practice," in *The American Review of Public Administration*, Vol. 29, No. 1, pp. 19–43, at pp. 26–27.
[505] Freedman, *Politics of British Defence*, pp. 3–4. See also Market Access International Ltd (1989), *The Politics of British Defence Procurement* (London: Market Access International Ltd), p. 6.

enable it to go on with only minor changes, as was argued earlier. Secondly, and more importantly, in both states the degree to which other public spending accounts are questioned in public and ultimately reduced severely outweighs the same regarding defence. In the USA, the discussions about the "sequester" – i.e. across the board cuts in all federal spending – focused almost exclusively on its impact on defence. In fact, the possibility of excluding defence from the cuts by increasing cuts in entitlement and other social spending was widely discussed, with some polls suggesting that even the public may favour such an exemption.[506] DOD used apocalyptic language during much of the debate about sequestration, directly tying the cuts to threats to national security.[507] The British defence secretary similarly suggested cutting social spending further rather than cutting defence any more.[508] Some public outrage against social spending cuts notwithstanding, neither political party, let alone governing administration, voiced noteworthy opposition to this general view that places defence at the top of the hierarchy of public spending.[509] Together, this supports the assertion of both the relatively strong sectoralisation and the definitely strong system integration of defence in general and, especially in the USA, of defence acquisition in particular.

Selectivity

In terms of the network's selectivity, the above strongly suggests that the networks, their outcomes, and their feedback effects set defence policy-making on a path towards 'more of the same'. This follows from the observation that gradual, internal change is unlikely, and would only change in the event of external strategic or

[506] See e.g. Kasperowicz, "House Passes Sequester Replacement".
[507] See e.g. Pellerin, "Sequestration Damage" and Korb et al., "Gunpoint Stimulus".
[508] Holly Watt (2013), "Philip Hammond Interview: the Defence Secretary's Cold War on further Military Cuts," in *The Telegraph* (02 March 2013), accessed 8 March 2013, available at http://www.telegraph.co.uk/news/politics/9903718/Philip-Hammond-interview-The-Defence-Secretarys-cold-war-on-further-military-cuts.html.
[509] The incoming government cut most budgets by 19% over four years, while defence was only cut by 7.5% over the same period of time. See UK Treasury (2010), *Spending Review 2010*, Cm 7942 (London: The Stationery Office), pp. 5, 10.

fiscal 'shocks' that truly unsettle the status quo, the lines of funding available, the incentives for advocates to coalesce, and the access of various actors. The above enables understanding the mechanisms underlying these observations, most crucially the sequenced, iterated interplay between structure and process. On the one hand, the structural forces exerted by the strategic posture and the modes of generating military capability through recourse to private enterprise affect which policy alternatives are 'thinkable'. They also affect which position in the network actors perceive to be most likely to yield success. This, in essence, circumscribes the *status quo ante* to today's decision-making processes. On the other hand, these very processes affect the next cycle of decisions, most notably by reaffirming the ostensible possibility of generating the capabilities required rather than attempt to overcome the gap by reducing commitments. As noted, the absence of shocks that would have resulted in failure of either of these domains further reinforces the view that the current path is viable, feasible, and overall sustainable.

More specifically, the long ideational history of managerialism and the resulting organisational remoulding of government along private sector ideals, substantially raised the value of the resources and skills associated therewith. This dynamic was further reinforced through the simultaneous devaluation of the resources held by traditional veto-players who see value, for instance, in the non-profit motivation of civil servants and the checks placed on budget expenditure through the legislature. At the same time, the growing revenue stream that is principally available to industry encouraged it to coalesce and pursue proximity to government.[510] Moreover, the 'technicalisation' of problem-solving that turns the solving of political problems into a series of seemingly apolitical steps or

[510] Asked "why would anyone want to operate in, or invest in, such a peculiar, unpredictable sector" as defence, Loren Thompson of the Lexington Institute answers that "[the] answer is simple: the U.S. Department of Defense is the biggest purchaser of technology and technical services in the world. It buys a billion dollars worth of goods and services every day, so any company that becomes a trusted supplier to the Pentagon potentially can tap into a vast stream of revenues." Thompson, "Changing Defense Budget Environment".

technicalities, and the strategic relevance attached to globally superior military technology further removed or weakened veto-points and trumped potential veto-players' concerns, in particular the military.

As a result, access to the DSAPNs is considerably facilitated – and often proactively extended – to those actors who hold those resources that are intimately tied to the drivers of military outsourcing and are therefore most valued. They include technological knowhow, experience in private enterprise (most notably the eligibility requirements for the USD (AT&L)), intellectual property rights to the technologies the government no longer owns but depends on, the workforces who provide services to the military that it no longer wants or is able to perform itself, and access to those who hold these resources. Access to decision-makers is therefore both required and granted. The "revolving door" between government and business, for instance, is one small wheel in this much larger process that ties these factors together.[511] In addition to the resources listed above, the huge sums of financial resources available to those who conform to these principles and participate in the generation of defence capability further increase the relative advantage of their advocacy coalition. They offer funds to vastly superior numbers of potential members of this coalition, neither of which are matched on the other side. The decisions that a network takes that is dominated by pro-contracting advocates unsurprisingly reinforce rather than challenge the fundamental dynamics that introduced them to the network and enabled them to pursue the constant revenue streams in the first place. This is the logic of practicality at work;[512] even the unions who vehemently oppose outsourcing are now forced to depart from a standpoint that no longer

[511] As a British parliamentary report put it, "Part of the appeal of employing former ministers [and special advisers] is the perception—accurate or not—that they will be able to offer access across government." UK House, PASC, *Lobbying*, p. 32.
[512] Cf. Pouliot, "Logic of Practicality", p. 258.

questions contractorisation per se but that essentially asks for a fair competition between the federal workforce and private companies.[513]

Also, while the above generally concerns acquisition decisions more specifically, they do also affect the fundamental issue of defence strategy. While most actors here do not directly participate in strategy-making, pro-contracting advocates operate on the basis of realising their governments' strategic objectives. The good government advocates equally operate from the basic assumption that government strategy and foreign policy goals are givens. As was discussed in chapter II, both somewhat follow a core-competency approach and formally defer to strategic think tanks as the relevant non-state actors in that debate. Both coalitions thus also at least indirectly reproduce the strategic fundamentals that are at the roots of outsourcing. The pro-contracting coalition in fact eloquently and with political savvy routinely invokes the strategic 'threats' the state faces in an 'uncertain world' that require 'swift, technologically sophisticated responses' to 'keep the nation safe'.[514] They thus directly tie their own activities, success, and well-being to the national security objectives of the state, and thus aid the further entrenchment and normalisation of the very ideas that fundamentally drive military outsourcing – without having to openly call for military action.

Therefore, neither of the fundamental structural forces that ultimately led to extensive military services contracting are exposed to significant, potentially existential challenges by the routine operation of the DSAPNs. The pro-contracting advocacy coalition obviously has no interest in fundamentally changing the basic parameters of defence services acquisition policy, while the government is

[513] Gage, "Statement for the Record", p. 1.

[514] These phrases have become political boilerplate and as such are contained in virtually every national security and defence-related public statement made by actors representing the pro-contracting coalition. For one example of many see Defense Industry Daily (2013), "NDIA Logistics Forum 2013: Logistics US Undersecretary Can't Fake Enthusiasm," in *Defense Industry Daily* (13 June 2013), accessed 15 June 2013, available at http://www.defenseindustrydaily.com/sequestered-logistics-outlook-014207/.

sufficiently content with the status quo and the critics too weak to be able to change the rules of the game, as the failed insourcing initiative brought into sharp relief. Therefore, gradual change through the process is unlikely, so that (absent external shocks to the strategic, fiscal, or defence economic structuring forces of the defence policy process) the routine process involving the DSAPNs mapped out above is set to maintain its selectivity and reinforce the path dependency towards 'more of the same'. Put differently, this 'ecosystem' is unlikely to face significant challenges in the foreseeable future.

IV. 3. Findings and Conclusions

In mapping and analysing the defence services acquisition policy networks, this chapter identified the sources, operation, and ramifications of the "structural power of business" in this policy domain. As in other policy domains, the structural power of business here stems (among others) from its relevance to the running of public and private services.[515] Structurally, business is integral to the 'ecosystem' that departs from specific strategic, defence technological, and defence economic policies, preferences, and practices, and thus occupies a central place in generating capability and delivering defence outcomes, and in the USA even as a source of national security. Agentially, this chapter showed how this is manifested in the composition and routine operation of the networks. By virtue of holding the necessary resources and providing what government needs in order to realise its strategic and technological objectives, industry is part of the process from start to finish, from top to bottom of the hierarchy, and relatively free from sustained opposition of comparable clout, connectedness, or resources. Industry's provision of defence services thus contributes to a path dependence that all but ensures that the future will see more of the same.

[515] Bell, "Structural Power of Business", p. 661.

According to PNT, a network's policy decision more or less strongly circumscribes the implementation, i.e. the last part of the policy process. Here, given the central importance of the executive leadership and the far-reaching consequences of top-level policy-making for lower-level sub-domains, it is reasonable to assume that these dynamics very strongly delimit the following case examinations which considerably depend on policy set at the highest levels. The following two chapters therefore serve both the confirmation of what has been argued so far as well as its further refinement. The following identifies in more detail the operation of policy networks on the ground, and sheds light on specific outsourcing practices, sales, and the entrenchment of military services contracting in specific military domains. It thereby identifies – internally – both the avenues for potential structural change through agency as well as the mechanisms which reproduce structure through agency, and moreover underscores – externally – the constraints exerted by the big picture of defence services acquisition policy on policy implementation on the ground.

V. Outsourcing Foreign Military Assistance

The two remaining chapters serve two broad purposes. First, by revisiting the drivers, politics, processes, and ramifications of contracting out specific capabilities, they contribute cumulatively to the knowledge produced so far on the context and politics of outsourcing of defence services provision. Secondly, in so doing, the chapters test the assumptions developed at the end of chapters III and IV to shore up and refine the study's findings across policy sub-domains, thereby both generalising our findings as well as generating knowledge on specific areas of defence.[516] Thus, whereas the previous chapter focused on the higher end of defence policy-making, the remaining chapters mostly examine lower implementing levels throughout the defence enterprise. Not only does this ensure that we cover the enterprise's entire hierarchy and arrive at more generally valid conclusions; it also covers the remainder of the policy process as conceptualised by PNT. This concerns in particular the potential internal sources of change or shocks to the status quo.

This chapter first introduces the policy domain under study – foreign military assistance – and locates it within the wider field of defence policy. Highlighting its immediate links to two key drivers of outsourcing, it underscores the strategic nature and the role of economic interests in foreign military assistance. It then examines the drivers behind its increasing contractorisation in the USA as well as the reasons for its near-absence in the UK, both of which lead back to variances in defence posture and the willingness to subsidise the domestic defence industry.

Next, the chapter juxtaposes the 'textbook' acquisition process as envisaged by the government with the reality on the ground. It identifies significant spaces for informality in what appears, at first glance, to be a heavily regulated process, and the

[516] This is in conformance with the method of structured, focused comparison, noted in chapter I. Cf. George and Bennett, *Case Studies and Theory Development*, pp. 68–70.

partial reversal of a strategic policy into a revenue stream to be harnessed through business development mechanisms.

Drawing on these observations, the chapter then maps out the networks involved on the high-political and the lower implementing levels. Broadly speaking, the maps confirm the bias towards business in the USA given the prominence of industry throughout the policy process from its design and regulations through to its implementation and the absence of veto-players or countervailing concerns. In the UK, however, this domain displays a very low bias towards business.

Finally, the chapter revisits the assumptions proposed in chapter III and appraises key concerns, especially the questions of the ownership of political decisions, the absence or exclusion of potential checks on the process, an increasing alignment of the interests of government and its industry suppliers, and the alleged militarisation of foreign policy. Especially regarding the USA, the chapter finds evidence in their support and concludes that there are no obvious sources of change in the foreseeable future.

V. 1. The Strategic and Economic Nature of Foreign Military Assistance

Foreign military assistance is of immediate, strategic nature and – in the USA in particular – carries significant economic and defence-industrial implications.

V. 1. i. Military Assistance in National Security Strategy

Military assistance has long been an instrument of US foreign policy, serving as a centrepiece of US strategy during the Cold War according to former US Secretary of Defense Robert Gates.[517] After declining in importance in the 1990s when the focus

[517] Robert M. Gates (2010), "Helping Others Defend Themselves: The Future of U.S. Security Assistance," in *Foreign Affairs*, Vol. 89, No. 3, pp. 2–6, at p. 2.

shifted to economic assistance and democratisation,[518] the wars and "operations other than war" fought in the wake of 9/11 catapulted military assistance back to the fore. This applies especially to the US defence establishment that had shown little interest in implementing military assistance before.[519]

US foreign assistance follows three key rationales that have remained unchanged since the end of the Second World War. National security is the predominant theme, ahead of commercial interests and humanitarian concerns.[520] Regarding security, foreign military assistance today follows the general understanding that, in the words of former secretary Robert Gates, "the United States cannot kill or capture its way to victory" but should rather employ "indirect approaches – primarily through building the capacity of partner governments and their security forces".[521]

Building the military capacities and capabilities of allies and friendly nations is also a way to share the burden of the USA's numerous military activities across the globe. Building Partner Capacity, a U.S. Army programme, and its many siblings and cousins, partly grew out of the persistent and intermittently growing gap between commitments and resources. Sharing some of its origins with contracting it is thus unsurprising that the USA outsources much of its foreign military assistance. Given the mismatch between commitments and resources – in particular due to the USA's expanding global presence and military engagements (see chapter II) – the USA no longer only builds the capacity of formally allied nations but also of states that are

[518] Cf. Curt Tarnoff and Marian Leonardo Lawson (2011), "Foreign Aid: an Introduction to U.S. Programs and Policy," in *Congressional Research Service*, No. R40213, at p. 11.
[519] Cf. Nina M. Serafino (2012), "Security Assistance Reform: "Section 1206" Background and Issues for Congress," in *Congressional Research Service*, No. RS22855, at pp. 3–5.
[520] Tarnoff and Lawson, "Foreign Aid", pp. 2–3.
[521] Robert M. Gates (2009), "A Balanced Strategy: Reprogramming the Pentagon for a New Age," in *Foreign Affairs*, Vol. 88, No. 1, pp. 28–40, at pp. 29–30.

perceived to be sufficiently stable, legitimate, and capable of conducting their own "stability operations" or aiding the USA in theirs.[522]

Partner capacity and capability can turn out to be more important and successful than operations conducted by the USA.[523] For instance, the emergency supplemental request for the "Coalition Support Fund" FY2007 amounted to $1.2 billion, was justified on the grounds that Pakistan and Jordan conduct major border operations along their borders with Afghanistan and Iraq, respectively, "achieving successes that would be difficult for U.S. Armed Forces to attain" and "having a major impact on curbing foreign fighters transiting through Jordan to Iraq". The request conceded that "it is likely that the U.S. would not be able to conduct these operations as capably as the indigenous forces."[524] The "impact if not funded" would be discouraging Jordan, Pakistan, and other lesser capable countries from participating in US operations in the future.[525] Building partner states' capacity is thus central to the maintenance of "U.S. global leadership".[526]

Overall, then, and much more than regarding the acquisition of other military services, top-level strategy here sets the discourse and more immediately frames the design, development, and realisation of specific programmes. Military aid policy is planned on the basis of principles set forth in the National Security Strategy that drives the development of all DOS and DOD strategies all the way down to "Country Plans". At each of the intermediary levels the national and strategic interests are identified and reiterated, so that by the end a specific Country Plan is based on the

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[522] Jefferson P. Marquis, Jennifer D. P. Moroney, and Justin Beck, et al. (2010), *Developing an Army Strategy for Building Partner Capacity for Stability Operations* (Santa Monica, CA: RAND Arroyo Center), p. 14.
[523] Gates, "Balanced Strategy", pp. 29–30.
[524] U.S. Department of Defense, Office of the Under Secretary of Defense (Comptroller), "FY2007 Supplemental Budget Request for the Global War on Terror", accessed 6 December 2012, available at http://comptroller.defense.gov/defbudget/fy2008/fy2007_supplemental/FY2007_Emergency_Supplemental_Request_for_the_GWOT/pdfs/operation/21_DSCA_Supp_OP-5.pdf, p. 76.
[525] Ibid. An almost identical request was also made for FY2008.
Jordanian border security became a key programme component of FMS in the 2000s, and will be discussed again below in the section on Jordan.
[526] Gates, "Helping Others Defend Themselves", p. 6.

security role that the USA desires a state to play and the level to which the state is capable of fulfilling this role.[527]

The UK, as is explained in the course of the next sections, for various reasons engages less in such activities. Its limited equivalent activities however resemble the USA in that they stretch the globe and are viewed as a way to shape and influence the international security environment in a manner favourable to the national interest.[528] Like in the USA, the UK's 2010 NSS provides the frame for the newly developed International Defence Engagement Strategy that covers the security aspects of the NSS's stated objective to use all instruments of national power to build the country's prosperity, extend its global influence, and strengthen its security.[529] While the UK's defence engagement has a wide scope that includes "overseas training teams, security sector reform, international defence training, … [and] overseas joint exercises" in dozens of countries, its depth – measured in terms of the allocated budgets and manpower – does not nearly approach that of the USA. The UK therefore, perhaps unsurprisingly, does not have large-scale foreign military aid programmes of comparable prominence as those Congress appropriates in the USA. The Engagement Strategy in fact attempts to improve the value-for-money performance of the UK's international footprint by unifying its efforts in a whole-of-government approach.[530]

V. 1. ii. Economic and Defence-Industrial Interests in Military Aid

Military assistance in the USA is intimately tied not only to the strategic objectives but also to the preference for the private provision of public services, the centrality of the domestic defence industry in national security, and the resulting

[527] U.S. Department of Defense, Defense Institute of Security Assistance Management (2013), *The Management of Security Cooperation*, 32nd edn, (Wright-Patterson Air Force Base, Ohio: Defense Institute of Security Assistance Management), chapter 19, and
U.S. Department of Defense, Defense Institute of Security Assistance Management (2013), "Security Cooperation Familiarization Course", Completed Online by this Author.
[528] Marquis et al., *Building Partner Capacity*, pp. 63–70.
[529] UK Ministry of Defence (2013), *International Defence Engagement Strategy* (N.A.), p. 1.
[530] Interviews with senior and mid-level UK government sources.

deep concerns for its well-being. By extension, its relative absence in the UK appears to follow from the reverse logic. The UK, in addition to having a less expansive defence posture, focuses more strictly on its own armed forces rather than its domestic industry, and is thus more willing to narrow the scope of its defence posture and to acquire equipment and services from foreign sources.[531] It thus refuses to provide a comparable level of support and subsidies to its own industry. The UK does not create government-funded military aid programmes or open up its own acquisition channels to foreign buyers in the way the USA does, as is discussed next.

While the available legal and strategic resources on UK defence engagement are manageable in scope, the USA's Foreign Assistance Act extends over hundreds of pages, sections, and paragraphs. Whereas the political context of military aid barely hints at the role of the private sector, the legislation and specific programmes in the USA are designed very closely around industry or even for the main purpose of supporting defence sales overseas. Section 503 of the Foreign Assistance Act of 1961 authorises the US President "to furnish military assistance, on such terms and conditions as he may determine, to any friendly country or international organization". This aid is provided by "acquiring ... and providing (by loan or grant) any defense article or defense services", sending military advisers, or transferring funds to assist the recipient.[532] Section 516 regulates the President's "authority to transfer excess defense articles".[533]

The programmes that implement these authorities and for which funds are appropriated (usually annually) fall into two categories: security assistance (SA) and security cooperation (SC). The former is owned by the State Department but mostly implemented by the Defense Department through the Defense Security Cooperation

[531] Cf. chapters II and III.
[532] Senate Committee on Foreign Relations, House of Representatives Committee on Foreign Affairs U.S. Congress (2010), *Legislation on Foreign Relations Through 2008: Current Legislation and Related Executive Orders*, Vol. I-A (Washington, D.C.: U.S. Government Printing Office), pp. 264–265.
[533] Ibid, p. 280.

Agency (DSCA) and the individual Armed Services' international policy programme offices.[534] The latter falls under the purview of DOD, and the number of these programmes has been rising.[535] They include the so-called "Section 1206" authority to train and equip foreign military forces,[536] the aforementioned Coalition Support Fund that is mainly used to reimburse "key cooperating nations for logistics and military support ... to U.S. military operations",[537] the "Combating Terrorism Fellowship Program", the "Global Lift & Sustain" programme, and country-specific programmes such as the "Iraq Security Forces Fund" and the "Pakistan Counterinsurgency Fund".[538] The proliferation of DOD-led programmes and activities that traditionally fell under the purview of DOS is key to the critique of the alleged militarisation of US foreign policy, discussed in section V.5.

The sale of defence articles and services from the USA mostly runs through one of two channels: Foreign Military Sales (FMS), in which the customer buys through the acquisition channels and thus 'from' the US government; and Direct Commercial Sales (DCS), in which the foreign country negotiates directly with US industry. The main and longest-running military aid programme of interest here is called Foreign Military Financing (FMF). FMF is the "amount of credit/grant extended to a foreign government or international organization in any fiscal year for the procurement of defense articles, defense services, and design and construction services."[539] In other words, FMF is a source of funding, while FMS and DCS are the

[534] Serafino, "Security Assistance Reform", pp. 2–3.
[535] With the exception of about a decade that mostly included the Vietnam War, major assistance programmes had been implemented under the authority of the State Department to ensure that it remained closely aligned with the country's foreign policy objectives. Ibid.
[536] U.S. Department of Defense, Defense Security Cooperation Agency (2010), "DSCA Campaign Support Plan 2010", (Arlington, VA), accessed 7 December 2012, available at http://www.dsca.mil/programs/Program_Support/DSCA%20CSP%20no%20names.pdf, p. C—1-13
[537] Ibid, p. C—1-8. Jordan and Pakistan are the only two named countries and its main beneficiaries.
[538] Ibid, pp. C—1-9, C—1-12, C—1-18, and C—1-20.
[539] U.S. Department of Defense, Defense Security Cooperation Agency (2011), *Historical Facts Book: As of September 30, 2011*, available at http://www.dsca.mil/programs/biz-ops/factsbook/Historical%20Facts%20Book%20-%2030%20September%202011.pdf,

channels through which they are spent. In most cases, FMF is offered as non-repayable grants. It therefore represents the strongest form of military aid, and is mostly given to Middle Eastern countries, especially Israel, Egypt, and Jordan.[540]

Not only are these programmes centred on industry with the USA spending significant resources to support it, including 10,000 employees working on SC and stating that "the relationship between SCO personnel and representatives of US industry, although unofficial, is important to both sides."[541] FMS, DCS, and FMF are significant sources of income for industry. The US government spent $25 billion on various foreign military assistance programmes in FY2012,[542] and almost all of these funds in turn pay for equipment and services furnished by the US defence industry.[543] The same applies to several DOD-led programmes. Most work under Section 1206, which cost approximately $400 million in FY2010, is provided by contractors according to possibly the best informed source on the programme.[544]

Industry thus occupies a central place in US foreign military assistance as a key enabler and a vehicle towards building bilateral relations, becoming a central part of the bilateral relationship. In the words of then-Assistant Secretary of State for Political-Military (PM) Affairs Andrew Shapiro, a foreign country acquiring an advanced defence system from a US company acquires not just a piece of hardware, but also the requirement to maintain, update, and repair it throughout its often decades-long lifespan. Therefore, "the buyer is actually committing to a broader, long-term relationship *with the United States* [emphasis added]. The defense trade can

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accessed 07 December 2012 (N.A.: U.S. Department of Defense, Defense Security Cooperation Agency), pp. III–IV.

[540] See Section 506 of the Foreign Assistance Act in US Congress, *Legislation on Foreign Relations*, pp. 273–275.

[541] US DOD DISAM, *Management of Security Cooperation*, chapter 4, p. 22.

[542] U.S. Department of State, International Security Advisory Board (2013), *Report on Security Capacity Building* (Washington, D.C.: U.S. Department of State), p. 15.

[543] US DOD DSCA, *Historical Facts Book*, p. III.

[544] Nina M. Serafino (2009), "Section 1206 of the National Defense Authorization Act for FY2006: a Fact Sheet on Department of Defense Authority to Train and Equip Foreign Military Forces," in *Congressional Research Service*, No. RS22855, at p. 1.

therefore help solidify diplomatic ties".[545] Given this centrality of industry as either a beneficiary or implementing actor, the remaining sections of this chapter examine these programmes in more detail from pre-planning and design through their implementation and follow-up.

As noted, the UK does not maintain foreign military assistance programmes or acquisition channels of comparable scope. Aid is mostly provided through individual "activities" for which funding has to be secured before a government minister is presented with the proposal, mostly out of one of the existing dedicated pools of money.[546] Two of the main relevant funds are the cross-government "Conflict Pool" fund. In FY2011-2012 it was allocated £180 million and operated in 41 countries, and the MOD's "Defence Assistance Fund" that – despite running activities in 57 countries that year – was only allocated £12 million,[547] of which only £2.3 million were spent on contractors.[548] The difference in (budgetary) scope to the USA is obvious.

Moreover, the few programmes the UK runs – the British Peace Support Teams (BPST), the British Military Advisory and Training Team (BMATT), the British Army Training Unit, and the International Military Advisory & Training Team (IMATT) in Sierra Leone – are of comparatively very limited size,[549] and mostly

[545] U.S. Department of State, Bureau of Political-Military Affairs (2012), "Building Partnerships Abroad By Improving Collaboration At Home," Remarks by Andrew J. Shapiro, Assistant Secretary of State (Political-Military Affairs), 05 December 2012 (Princeton, NJ), accessed 11 December 2012, available at http://www.state.gov/t/pm/rls/rm/201743.htm.
[546] Interviews with senior and mid-level UK government sources
[547] UK House of Commons, Department of the Official Report (Hansard) (2012), *House of Commons Hansard Written Answers for 06 Mar 2012* (London: The Stationery Office), Columns 663W-666W.
[548] UK Ministry of Defence (2013), "Response to Freedom of Information Request, Reference 18-01-2013-142054-012", Copy of the Author.
[549] See UK Army, "The British Army - Africa," accessed 20 February 2014, available at http://www.army.mod.uk/operations-deployments/22724.aspx and UK Ministry of Defence, "British Military Advisory Training Team (Czech Republic)," in *Gov.uk*, accessed 20 February 2014, available at https://www.gov.uk/british-military-advisory-training-team-in-the-czech-republic.

staffed by regular members of the armed forces.[550] Industry has no obvious presence in these programmes. As was confirmed by several sources in the MOD, the UK engages in activities such as the BPST only when "it feels like an important objective" for the UK to do so, "for our own purposes, not just because the customer wants it."[551] Given their limited scope even a comprehensive role in those programmes would not compare to the dozens of billions industry earns in the USA through providing military aid.

Nonetheless, the UK's International Defence Engagement Strategy foresees some support to UK defence industry exports.[552] Unlike in the USA, however, the UK only very rarely pays for foreign procurements of UK goods and services. According to a senior source in the MOD this is partly because of the way the MOD is funded; Parliament has no prerogatives to fund individual line items as the US Congress does, and there is no equivalent to FMF.[553] The UK also does not offer its own acquisition channels like the USA, and almost no funding to purchase goods in the UK. Its support to companies in securing sales overseas is limited to the work of its defence attachés and representatives of the UK Trade & Investment government department (UKTI).[554] The UK thus concentrates its more limited funds on projects that immediately further its foreign and defence political objectives, and does not shape its defence engagement policy with industry squarely in mind.[555] Confirming the findings from chapters II and III, the UK devotes relatively less attention to the domestic defence-industrial base in the design and pursuit of its core defence political objectives than

[550] According to a senior MOD source, the UK rarely pays for industry to conduct such security sector reform work. See interviews with senior and mid-level UK government sources.

A member of IMATT in Sierra Leone confirms that industry is not hired for training but for logistical and construction purposes, with the exception of the BPST in Kenya, see personal correspondence with Lt Col Joe Edkins. Training Advisor and Director, Horton Academy, International Security Advisory Team, Sierra Leone (February-July 2013).

[551] Interviews with senior and mid-level UK government sources, and telephone interview with anonymous. UK Ministry of Defence officials acquainted with defence engagement efforts (2013).

[552] UK MOD, *International Defence Engagement Strategy*, p. 3.

[553] Interviews with senior and mid-level UK government sources.

[554] Ibid.

[555] This was confirmed by ibid., and personal interview with UK MOD source.

the USA which considers the national defence industry to be central to its national security architecture.

V. 2. The Drivers of Outsourcing Foreign Military Assistance

The drivers of outsourcing foreign military assistance in the USA and the reasons for the lack thereof in the UK correspond with the previous findings.

First, there is the strategic element. As noted above, the USA understands that it cannot "kill or capture its way to victory" and therefore reappraised its stance towards military assistance policy.[556] DOD subsequently re-evaluated its long-standing disinterest in conducting security assistance for the State Department. It had long regarded security assistance as only marginally beneficial to national security, and had not considered the training of foreign forces to be a primary task for its regular soldiers. Following 9/11 this attitude changed, especially towards countries in which the US military may view intervention as necessary because of the presence of terrorist groups. Security cooperation became a responsibility for the general purpose force,[557] and in keeping with DOD's mindset this responsibility was approached comprehensively.

The passing of the Section 1206 authority epitomises this change of heart. As then-Secretary of Defense Gates explained, the US military had been trained to defeat other organised forces, while the national security infrastructure and legislation were outdated. Section 1206 therefore served the goal to bridge a perceived capability gap in rapidly responding militarily to evolving threats.[558] Section 1206 was followed up with an instruction in 2010 that mandated DOD to develop and maintain "security

[556] Gates, "Balanced Strategy", pp. 29–30.
[557] Serafino, "Security Assistance Reform", pp. 3–5.
[558] Gates, "Helping Others Defend Themselves", pp. 3–4.

force assistance" capabilities "across all domains – air, land, maritime, and cyberspace".[559]

Further strategic reasons for the proliferation of contractors in foreign military training and related work include allowing the sending government to keep a low profile and to secure influence in new areas.[560] Seeing as many of the new authorities are targeted at countries in which the USA has not had a long-standing military-to-military relationship or, if it did, had not maintained a large, "uniformed" footprint, the use of contractors must be viewed as an attractive option especially where US soldiers would not be welcomed or legally allowed to be present. The possibly most high-profile and well-known case that put the military consultancy industry on the political radar was MPRI's work in Croatia in 1994-1995. The USA, seeking to bring a stalemate between breakaway-Croatia and its Serb opponents to an end but prohibited from selling arms or sending military advisors, referred the Croatian Minister of Defence to the company that was ultimately given two contracts. In 1995, Croatia's army defeated its Serb opponents using manoeuvres "reminiscent of the U.S. Army's Air-*Land 2000* doctrine that the firm was expert in."[561] Following its success in Croatia and other Balkan countries, the company's business – and contractorised training of foreign forces more generally – expanded rapidly.[562]

Secondly, perhaps unsurprisingly, this created manpower challenges. As was shown in earlier chapters, when faced with a trade-off between manpower levels on the one hand and the levels of technological sophistication or strategic scope on the other, the USA opts for the former. Given that Section 1206 in particular and the institutionalisation of security force assistance more broadly came in response to a perceived capability gap and at a time in which the military appeared to be under

[559] U.S. Department of Defense, Office of the Under Secretary of Defense (Policy) (2010), "Security Force Assistance", DoD Instruction 5000.68 (N.A.), pp. 1–3.
[560] Mohlin, *Strategic Use of Military Contractors*, p. 226.
[561] Singer, *Corporate Warriors*, p. 127.
[562] Ibid, p. 131.

severe overstretch, their origins share the dynamics that were shown to have driven outsourcing. Therefore, unsurprisingly, the private sector from the start took a central role in the implementation of both. Regarding Section 1206, most "train and equip" work was being provided by private contractors,[563] while regarding security force assistance contractors were formally included from the very start into the force mix.[564] Moreover, given that a lot of military assistance still formally flows through the State Department, these shortcomings were even more pronounced. DOS is a manager and broker of aid but lacks the "personnel, funding, security forces, and operational know-how" to implement large-scale security assistance operations.[565] This is why DOD implements these cases in the first place, and given the pressures which the military is under, drawing on contractors becomes a necessity given the scope of these programmes.

Moreover, coupled with and exacerbating the manpower issue is the problem of knowhow that was pointed out in chapter III. As the quote by Shapiro underscored, a defence sale does not end with product delivery, but continues potentially for decades to involve regular training, operation, and maintenance requirements. The military has neither the manpower nor all of the necessary knowhow and intellectual property rights to provide these services and spares over long periods of time even if it wanted to.[566]

Thirdly, there is an important economic argument that was alluded to in section V.1.ii. States with an indigenous defence industry encourage international sales by their domestic companies to reduce their dependence on sales to their own government, reduce prices through achieving economies of scale, and support the

[563] Serafino, "Section 1206", p. 1.
[564] US DOD OUSD(P), "Security Force Assistance", p. 3.
[565] Marquis et al., *Building Partner Capacity*, p. 12.
[566] In a personal interview with Lt Col Keith Harrington. Chief of Foreign Military Sales, Military Assistance Program-Jordan. U.S. Embassy, Amman, Jordan (03 September 2012), the FMS chief in Jordan said that it was predominantly a manpower issue defined by the drive to run a core competency military, yet sales such as those described in section V.3. could not have been carried out by the military alone, warranting the argument about knowhow made here.

domestic job market. When coupled with the understanding of the military as a core competency *combat* force, paying for a uniformed soldier to deliver certain services to a foreign army could be viewed as bad practice. Training foreign forces is neither a core responsibility of a combat soldier, nor would doing so support private sector jobs. The sums of FMF, let alone FMS, are too significant to discard this argument, as most US foreign aid funds are spent on US-sourced goods and services in accordance with limitations contained in the Foreign Assistance Act.[567] Put most candidly, the Chief of Foreign Military Sales in Jordan – a country whose purchases are almost exclusively funded by the US government – said that such aid was not least a "US jobs programme."[568]

Fourth, there are two organisational causes for the outsourcing of the delivery of foreign military assistance that – again – apply predominantly to the USA, and that go beyond the general proclivity to draw on the private sector for as much non-core government work as possible. On the one hand, the styles in foreign military training differ. The UK typically takes a longer-term perspective and applies a train-the-trainers approach. The USA, by contrast, focuses more on short-term effects by teaching operational and tactical skills by its own people (uniformed or not).[569] The British approach should eventually require a smaller manpower given its train-the-trainers approach, while the US approach raises the footprint because it creates a constant need for outside trainers throughout the training mission.[570] On the other hand, the job implications for soldiers engaged in training efforts may play a role in the degree to which such tasks are attractive to troops or alternatively outsourced.

[567] Tarnoff and Lawson, "Foreign Aid", pp. 18–19.
[568] Personal interview with Lt Col Keith Harrington.
[569] Marquis et al., *Building Partner Capacity*, pp. 63–70.
[570] The FMS chief in Jordan confirmed that the use of contractors in foreign military assistance was predominantly a workforce issue; Personal interview with Lt Col Keith Harrington.

Training foreign troops is encouraged (but not mandatory) in the UK, but is regarded as detrimental to career advancement in the US Army.[571]

The two latter drivers highlight reasons for and nuances of the variance between the USA and the UK regarding foreign military assistance policy, including its contractorisation. Fundamentally, as noted in earlier chapters, the UK enjoys a lower level of resources and of reserves that it could mobilise for foreign military assistance. The UK is therefore willing to become interdependent with other states for its security in general and for supplying its forces in particular, and to assume a more limited global defence posture. The UK is thus forced to focus much more closely on its own armed forces and more narrowly defined immediate interests than on an expansive posture and the benefit to other states or industry. Coupled with a strong political rejection of subsidies, the UK limits its efforts to supporting its industry with selling products and services to other countries, but not by paying for these sales itself.[572] The UK therefore pursues a limited policy that draws on personnel that "is already paid for" and only contemplates outsourcing when all in-house options have been exhausted.[573] This approach is made more successful because training foreign forces is not detrimental to career progression, and because the number of required trainers decreases with the increasing numbers of local trainers. In the USA, none of these factors apply; it has considerably more resources, and assigns its domestic defence-industrial base a central place in its national security architecture. There appears to be no limit to the perceived possibilities and desire to build and affect other nations' military capabilities and capacities, only limits to the means available to do so which are exacerbated by the manpower-intensive training style. With governmental support for US industry's foreign sales dramatically higher, collectively these factors make outsourcing a much more attractive and possibly even necessary

[571] Marquis et al., *Building Partner Capacity*, p. 70.
[572] Interviews with senior and mid-level UK government sources.
[573] Telephone interview with UK MOD source on defence engagement policy.

course of action in the USA; as the US FMS chief in Jordan put it, "if we can, we like to outsource."[574]

V. 3. Process and Participants of Outsourcing Foreign Military Assistance

There are two levels regarding the use of contractors in foreign military assistance in the USA. On the one hand, the formal process of foreign military sales (including government-funded assistance) is closely regulated. It comprises the identification of requirements, advertisement of tenders, competition, funding, delivery, monitoring, and evaluation. On the other hand, informality is similarly essential here as it was in the making of high defence services acquisition policy.

In juxtaposing the two this section finds, first, that the formally intended role for industry is already far-reaching, and secondly that by harnessing the vast informal spaces this role extends even further to cover the entire hierarchy and timeline of the process. To US industry, foreign military aid is just another source of revenue to tap into, while more generally the observations made below further underscore the increasingly complementary nature of government and industry's interests.

The limited evidence from the UK supports the assertions that contractors are used very rarely, in an *ad hoc* fashion, and that the UK is more focused on increasing the "value for money"-element of its foreign aid policy by joining forces with other international actors and organisations rather than supporting the domestic defence services industry.[575]

[574] Personal interview with Lt Col Keith Harrington.
[575] Given the very limited activities of the UK in this domain, the following necessarily devotes more space to the USA than the UK.

V. 3. i. The "Textbook" Process in the USA

FMS cases formally follow a highly standardised procedure and – like the policy more generally – are closely driven by the high-strategic interests and objectives that trickle down from the executive leadership to the individual country levels.[576] FMS cases, which include most FMF-funded aid programmes, formally begin with the purchasing country identifying a requirement and submitting a Letter of Request (LOR) to the US Embassy or Military Liaison Office. The LOR is then sent on to DSCA who may liaise with the armed services in order to produce non-binding information on "Price and Availability" (P&A). Since DSCA lacks the in-house knowledge to comprehensively estimate the costs and workload of FMS cases, the development of P&A information by necessity often involves the private sector that provides such information (and later the product or service).[577] Following approval from DOS and Congress, the involved parties develop a Letter of Offer and Acceptance (LOA) which – if approved by the purchasing country – goes back to DSCA and the Security Assistance Command for implementation via one of its implementing agencies (IA) – usually one of the armed services –[578] who in turn routinely draw on contractors for much or all of the resulting work.

Throughout the process, including before making a formal request, potential customers are thus in close contact not only with US government officials but also with industry. The DSCA's Defense Institute of Security Assistance Management (DISAM) Green Book states accordingly that "[normally], there should be ongoing

[576] For the process of Section 1206 programmes that begins with both Secretaries and the Joint Chiefs of Staff, see Serafino, "Security Assistance Reform", p. 7 and Serafino, "Section 1206", p. 7.
[577] See as one of countless examples U.S. Department of the Army, Army Contracting Command (2013), "58--The Government intends to release a Request for Proposal for the Jordan Armed Forces Command, Control, Communications, Computer, Intelligence, Surveillance, Reconnaissance (JC4ISR-C2) Tactical System," Solicitation Number: W15P7T-13-R-D021, 14 February 2013 (Aberdeen, MD), retrieved from the archives of www.fbo.biz.
[578] Richard O. Dickson (2012), "Foreign Military Sales (FMS): Overview to SAME", accessed 8 December 2012, available at http://www.tam.usace.army.mil/documents/SAMEFMS-0112.pdf, p. 7.

consultations between the customer and US representatives ... to assist the customer with defining and refining its requirements. … [F]ollow-on discussions will often expand to include US defense contractors" and "include topics such as security agreements, acquisition alternatives, training plans, transportation plans, methods of financing, and concepts of operations and support."[579] Survey teams that provide the country with assistance in further reviewing and identifying capabilities and upcoming requirements also typically comprise representatives of the US government, the purchasing country, and commercial contractors.[580] In fact, the Security Assistance Management Manual even includes contractors as part of US government representation on lower levels vis-à-vis foreign nations.[581]

This participation extends to the planning for logistical and other support for the life cycle of a deal. Such support, often very long-term, may be of superior monetary value than a piece of equipment alone. Between the submission of an LOR and the signing of an LOA, logistics support planning often involves a site survey in the purchasing country that typically includes contractors.[582] Thus, even though the sale has not yet been agreed with a particular manufacturer, industry is formally involved in identifying the customer's requirements.

The later award of an FMF-funded contract follows the same procedures as if DOD was the purchaser. Foreign military assistance cases therefore share the same, strong business-orientation as DOD acquisition policy. The DSCA's self-ascribed core competencies accordingly include among others the "integration of policy and business processes" in its dealings with defence articles and services.[583]

[579] US DOD DISAM, *Management of Security Cooperation*, chapter 5, pp. 2-3.
[580] Ibid, chapter 5, p. 5.
[581] U.S. Department of Defense, Defense Security Cooperation Agency (2012), *Security Assistance Management Manual*, C5.1.3.
[582] See US DOD DISAM, *Management of Security Cooperation*, chapter 10, pp. 15-16.
[583] U.S. Department of Defense, Defense Security Cooperation Agency (2009), "Strategic Plan: 2009-2014", (Arlington, VA: Department of Defense), p. 5.

For follow-on support to aid recipients, DOD becomes reactive to requests and again offers its acquisition channels. It is therefore preferred to follow US standard procedures which, like the "Total Package Approach",[584] again heavily rely on industry.

Ten countries, including Jordan and Egypt that are mentioned in more detail below, are eligible to conduct their purchases individually and directly with industry "who may have a continuing support plan available".[585] In other words, although this is generally not permitted with FMF funds, ten countries can spend their appropriated funds on US products and services as they please,[586] and these ten countries receive almost the entire annual FMF budget.

The potential non-participation of the US military in much of the transaction, especially when measured against its long time-span, further widens the potential for contractors to influence the customer's acquisitions, as is discussed next.

V. 3. ii. Filling in the Blanks in the Formal Process in the USA

While the foreign military aid process already formally accommodates industry very closely, it suggests that industry is a relatively passive actor, responsive to customer and US government demands. By examining the many unregulated – one might say "human" – elements of the process, it becomes apparent that informality plays a similarly central role as it does in the higher end of defence services acquisition policy-making. On both the higher strategic as well as the lower acquisition levels, industry is much more present than the seemingly tight regulations of the sales process would suggest. Moreover, even though it is not possible with the available evidence and access to identify an immediate, causal chain between lower-level actors and interests on one hand, and the higher levels of foreign (military aid)

[584] US DOD DISAM, *Management of Security Cooperation*, chapter 10, p. 11.
[585] Ibid.
[586] US DOD DSCA, *Security Assistance Management Manual*, C9.7.3.

policy-making on the other, it is possible to demonstrate that they are central, symbiotic components of a single 'ecosystem'.

Evidence from Jordan

This sub-section draws on evidence gathered in Jordan to approximate a general understanding of foreign military assistance policy and practice.

The Context of US Military Assistance to Jordan

Relations between the USA and Jordan have been long-running, and much more independent from short-term crises than is the case for instance with several Central Asian countries in the context of Afghanistan. Joint exercises and training have been formalised with the foundation of the "U.S.-Jordanian Joint Military Commission" since 1974.[587] Aid to Jordan is provided in line with long-standing "U.S. national security interests in the region"[588] and Jordan's central location in this region of prime geostrategic interest to the USA.[589] Jordan became a "major non-NATO ally" in 1996 which gives the country privileged access to US defence materiel,[590] and it reciprocates for example by supporting US operations and by participating in global peacekeeping initiatives such as the Global Peace Operations Initiative (GPOI) as the first Middle Eastern member and for which it hosts a training centre.[591] Finally, it is establishing itself as a hub for special operations training through the initially US-funded King Abdullah II Special Operations Training Center (KASOTC).[592]

[587] Jeremy M. Sharp (2012), "Jordan: Background and U.S. Relations," in *Congressional Research Service*, No. RL33546, at pp. 12–13.
[588] Jeremy M. Sharp (2010), "U.S. Foreign Assistance to the Middle East: Historical Background, Recent Trends, and the FY2011 Request," in *Congressional Research Service*, No. RL32260, at p. 1.
[589] This regards in particular the security of Israel and "the protection of vital petroleum supplies" among others. Ibid.
[590] See Sharp, "Jordan", pp. 12–13.
[591] Nina M. Serafino (2009), "The Global Peace Operations Initiative: Background and Issues for Congress," in *Congressional Research Service*, No. RS32773, at p. 9.
[592] See e.g. Jim Garamone (2009), "Gates Praises U.S., Jordan Strategic Partnership," in *American Forces Press Service* (27 July 2009), accessed 28 July 2013, available at http://www.defense.gov/News/NewsArticle.aspx?ID=55267.

Jordan, therefore, is not an outlier case of US security assistance spending. It is also more representative of the USA's longer-term strategic interests than the various Arab monarchies in the Persian Gulf since the latter pay for their substantial procurements out of their own budgets, while the USA covers most acquisition expenses incurred by the Jordanian military in the USA. The country receives $660 million in aid annually from FY2010-2014, of which $300 million are reserved for the military and appropriated through FMF;[593] in addition to these figures Jordan receives supplemental funding for intelligence operations or, for instance, from the Coalition Support Fund.[594] These figures increased significantly following Jordan's participation in the "global war on terror"; FMS agreements with Jordan rose from a total of $2.57 billion from FY1950 to FY2003 to $4.77 billion by FY2011.[595]

Cases of Foreign Military Aid to Jordan

Almost all announcements of sales to Jordan reiterate that these acquisitions also aim at increasing the interoperability of Jordan's forces with those of NATO, especially the USA,[596] further supporting the claim that aid among others is intended to shift some of the burdens of the USA's expansive strategic posture to partners and allies. Each contract announcement also includes some boilerplate stating that the sale will not alter the regional balance of power and that it furthers US national security interests.[597]

As noted, from the very early phases of a *potential* FMF case, industry is routinely consulted on the doability. It then takes over as the arguably most salient active actor over the longer duration of any particular military assistance case.

[593] Sharp, "Jordan", pp. 8–9.
[594] Personal interviews with anonymous. Senior and other Jordanian Government and Non-Government Sources. Various locations (2012-2013).
[595] US DOD DSCA, *Historical Facts Book*, p. 3.
[596] See U.S. Department of Defense, Defense Security Cooperation Agency, "Major Arms Sales," accessed 25 February 2014, available at http://dsca.mil/major-arms-sales.
[597] In a personal interview with anonymous. U.S. State Department Official. Amman, Jordan (30 August 2012), it was confirmed that military sales to Jordan are also contingent on Israeli approval.

Upcoming opportunities are routinely advertised before the bidding process starts. In one case, the US Army announced plans to procure "materials and provide engineering services to include ... logistics/training support for the Jordanian Armed Forces."[598] This particular announcement went through nine amendments following contractors' feedback,[599] which also underscores that the flow of knowledge and information from the private sector into government both sets in very early and may directly shape programmes and decisions.

Many cases are for a duration of several years and by definition involve a long-term presence and involvement of the private sector. For instance, a contract announcement in September 2006 worth up to $450 million for a comprehensive Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance (C4ISR) system notes that both US government and contractor personnel would be involved in providing services and technical reviews from 2006 through 2013.[600] Such systems, even after the conclusion of this contract after seven years, require ongoing servicing and support that is likely to be procured with FMF (i.e. US government) funds and potentially sole-sourced from the original prime contractor who by that time will have built a deep working relationship with the Jordanian Armed Forces. Also, in such contracts, the number of US government and contractor personnel is often negotiated as the programme progresses;[601] given the noted manpower shortages of the US military and its preference not to second

[598] US DOD DA (ACC), *Government intends to Release a RfP*.
[599] Ibid.
[600] U.S. Department of Defense, Defense Security Cooperation Agency (2006), "Jordan – Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance System," 28 September 2006 (Washington, D.C.), Press Release Transmittal No. 06-58, accessed 7 December 2012, available at http://www.dsca.osd.mil/pressreleases/36-b/2006/Jordan_06-58.pdf.
[601] See e.g. U.S. Department of Defense, Defense Security Cooperation Agency (2008), "Jordan – Increment 2 Requirements for Border Security Program," 09 September 2008 (Washington, D.C.), Press Release Transmittal No. 08-97, accessed 7 December 2012, available at http://www.dsca.mil/pressreleases/36-b/2008/Jordan_08-97.pdf.

uniformed personnel for such duties,[602] the contractor-government personnel ratio is likely to be large. Overall, therefore, the logistical tail-end of equipment and services acquisition leads to the very early involvement of and long-term business opportunities for industry in such FMF-cases, and the use of the Total Package Approach further strengthens this dynamic.[603]

The ubiquity of industry from the pre-award phase through to re-award that exceeds the "textbook" process outlined earlier is not the end of the line. Two examples of specific FMF cases in Jordan further highlight on the one hand the pervasiveness of informality, and on the other point out that foreign aid policy may in practice come in second behind business development or particularistic interests.[604]

A Mobile Combat Training Centre

The first instructive case study that highlights the nexus of requirements identification, production of official correspondence, the acquisition and delivery of systems and services, and the subsequent benefit of customer-provider relationships is the sale of a mobile combat training centre by Cubic to the Jordanian Armed Forces. A well-informed source points out that in general "the way it would tend to work is that the company would work directly with the foreign military to build the requirement, not with the US government, and get the foreign military to make the request."[605] This would begin with P&A requests and continue all the way through

[602] This was confirmed by the FMS chief in Jordan; see personal interview with Lt Col Keith Harrington.
[603] Another case involving a broad range of equipment – from rocket launchers to tactical vehicle trucks, radio systems, and all the necessary support equipment, spares, training, and services, worth $220 million was publicised in U.S. Department of Defense, Defense Security Cooperation Agency (2009), "Jordan – HIMARS, GMLRS, AFATDS, SINCGARS," 09 September 2009 (Washington, D.C.), Press Release Transmittal No. 09-32, accessed 7 December 2012, available at http://www.dsca.osd.mil/pressreleases/36-b/2009/Jordon_09-32.pdf.
[604] Unfortunately, a key source's participation forms (in hard copy) were not returned to me by the time of writing. Although they had spoken on the record, their statements are anonymised below.
[605] Interview with anonymous. Senior source with direct knowledge of Cubic's sale of a mobile combat training centre to Jordan (2013).

LORs and LOAs until an eventual contract tender and signing. Together they "would build that requirement from the ground up if it is a new requirement."[606]

The mobile combat training centre was one such new requirement. It was announced in 2009,[607] valued at $12 million, delivered in 2012, and said to have provided a new capability to the Jordanian military.[608] That sale started with a grassroots campaign with the Jordanian simulation centre several years earlier. At the beginning, Cubic conducted an education programme on the training products and services that are available to enhance the Jordanian military's live training capability. To begin with, Cubic provided information on laser or tactical engagement simulation, instrumented simulation, force-on-force training, and showed videos. The company also invited the prospective customers to the USA, where both they and the US military – after the Jordanian customers liaised with the US Security Cooperation Officer (SCO) in Jordan – hosted them in various locations and demonstrated training equipment and technologies. Upon returning to Jordan, the case essentially 'trickled up' from the action officer to the head of the simulation centre and ultimately to the chairman of the Jordanian Armed Forces who approved the planned acquisition. "That was the first step – they then had to sit back and start writing requirements. Defence companies like Lockheed or Boeing or Cubic will help write the requirements".[609] This happens because foreign military staffs often lack the necessary technical background to write such a document, when there is no indigenous defence industry to support the effort, and because the SCOs generally have a high number of cases on their desks that span programmes of such technical

[606] Ibid.
[607] Cubic Corporation (2009), "2009 Annual Report: 1959 to 2009 - 50 Years of Growth", (San Diego, CA), p. 13.
[608] Cubic Corporation (2012), "Cubic Circuit" (San Diego, CA), p. 2.
Possibly for this training centre the Cubic Corporation was awarded a $2 million sole-source contract for the procurement of "Simulated Weapons, spare parts, and [the provision of] maintenance training to Jordanian soldiers"; see U.S. Department of the Army, PEO STRICOM (2013), "69--Engagement Skills Training System Simulated Weapons for Jordan Armed Forces," Solicitation Number: W900KK-13-C-0009, 19 February 2013 (PEO STRI Acquisition Center, Orlando, FL).
[609] Interview with senior source with knowledge of CTC sale to Jordan.

and other breadth and depth that it is impossible for their small teams to be able to complete all the relevant work on their own or to have all the detailed technical data and knowhow available.[610]

Once the requirements document for the simulator had been written it was sent out to industry for comment. Since Jordan intended to procure the system with funds out of its FMF account, the document went through the aforementioned process of passing through the SCO and DSCA until it eventually turned into a standard US acquisition process.[611]

As the above underscores in more detail, the role of the contractor can be even more salient than the "textbook" process suggests. On the one hand the companies become active much earlier than the regulations suggest (which would be during the follow-on discussions to a P&A request). Here, industry helped identify, develop, and request the requirement. Moreover, Cubic hoped that Jordan would decide to buy from them after market-testing, with the source saying that as a company "you would hope that [your advice] prevails, that you have built the proper relationship". In other words, these grassroots efforts, that predate the contract tender by as much as five years,[612] are part of the company's business plan and investment into the future as the company becomes an increasingly known quantity to the customer. Moreover, successful programme delivery can be an evaluation criterion in future competitions.[613] This makes the successful delivery of an initial project an even more valuable investment, especially if follow-on services are necessary and extend over years during which the relationship develops further.

[610] Ibid.
[611] Ibid.
[612] Ibid.
[613] Interview with anonymous. U.S. Military Sources with Intimate Knowledge of Foreign Military Assistance Programmes (2013).

The King Abdullah Special Operations Training Center (KASOTC)

Another case study of significant geopolitical interest is the aforementioned special operations training centre KASOTC. According to a US special forces representative, it was aimed at enhancing "regional theater security interoperability" and thereby "[strengthening] multi-national counterterrorism capability".[614] It has grown to become a major training facility for special forces from US allies in the region. Since its inception it was driven from the highest political levels in both Jordan and the USA, giving it a particularly political nature that also dominated its procurement process.

In this case, FMF essentially served as a tool of convenience for a project that was politically wanted by the US and Jordanian governments. It was public knowledge that KASOTC had been planned earlier but abandoned due to a lack of funding. It was eventually funded through a supplementary emergency budget request in FY2005, following several suicide bomb attacks in Jordan's capital Amman that highlighted, to the USA, the need to bolster counter-terror capabilities in Jordan and the region. According to a leaked cable KASOTC was supported as a "centerpiece" of the "extensive cooperation on [counter-terrorism] and intelligence issues."[615] In other words, it is the kind of project 'that is going to happen.'[616]

KASOTC's pre-history runs counter to the key concern of cost efficiency and competition. Upon completion, operations and maintenance were contracted out to a company that did not have the best price but who was said to have a close relationships with both the Jordanian royal court and the implementing agency in the

[614] Andrew Stamer (2006), "KASOTC," in *SOCNET* (16 March 2006), accessed 7 June 2013, available at http://www.socnet.com/showthread.php?t=58075.
[615] U.S. Department of State (2006), "Scenesetter for the Visit to Jordan Lieutenant General R. Steven Whitcomb, USA, Commanding General, United States Armed Forces Command," in *WikiLeaks* (06 February 2006), accessed 26 February 2014, available at http://www.wikileaks.org/plusd/cables/06AMMAN863_a.html.
[616] Stamer, "KASOTC". See also interview with US military expert sources on FMS, and interview with anonymous. Anonymous sources with knowledge of specifics surrounding KASOTC (2013).

USA.[617] This is remarkable insofar as the operation and maintenance of KASOTC had been a thorny issue since its inception, as leaked documents suggest,[618] with anonymous sources pointing out that the facility was at least initially not financially viable without financial support from the US government.[619] It is not clear whether US funds continue to support KASOTC's maintenance and operations directly, but at least indirectly this is the case through booking training courses there.[620]

The case of Cubic's sale showed the importance of FMF as a source of funding for business – the sale would have been unlikely to happen without it. KASOTC meanwhile additionally underscores FMF's direct links to high-level strategy and how they may override other concerns.

Triangulating and Extrapolating the Evidence from Jordan

The in-depth evidence from Jordan is also more generally valid for other contractors than Cubic and regions other than the Middle East. First, foreign sales are – unsurprisingly – a source of income to be developed as any other business opportunity, not least because it is of little relevance to the company where the money ultimately comes from. In 1998, Cubic reported an opening of defence exports to Latin America and that it had immediately expanded its "marketing efforts and product demonstrations" there.[621] Similarly, in 2013, the company noted that it was working to leverage its mission support division's expertise in special operations capabilities "to develop new international customers."[622] In 1998 Lockheed reported

[617] Interview with anonymous sources with knowledge on KASOTC.
[618] US DOS, "Scenesetter for Visit to Jordan".
[619] Interview with sources with knowledge on KASOTC.
[620] For FY2012, DOS planned to expand its of KASOTC for "personnel from 40 [Antiterrorism Assistance] program partner nations". U.S. Department of State (2011), *Congressional Budget Justification: Foreign Operations*, Vol. 2 (Washington, D.C.: U.S. Department of State), p. 195.
[621] Cubic Corporation (1998), "1998 Annual Report", (San Diego, CA), p. 3.
[622] Cubic Corporation (2013), *Annual Report for the Fiscal Year Ended September 30, 2013*, Filed with the United States Securities and Exchange Commission (Washington, D.C.), p. 13.

successfully completing a "world tour to 32 countries" to showcase its C-130J aircraft that had "generated 28 proposals."[623]

These observations directly tie into the relevance of foreign sales to industry and, as argued later, the proclivity of companies to lobby on foreign military policy if sales are substantially endangered. Cubic's defence division made 39% of its sales to foreign customers,[624] and calls its "international footprint in more than 35 allied nations ... a key ingredient to [its] strategy."[625] At Lockheed Martin the figure stands at 17%,[626] and at 10% at Northrop Grumman.[627] While Cubic is however a relatively small company, Lockheed – despite its lower macro-level dependence on foreign sales overall – for instance depends on foreign buyers for entire product platforms such as the F-16 aircraft;[628] in 1999 all 124 F-16s went to foreign buyers, 74 of which (i.e. 60%) went to Egypt and Israel and are thus most likely FMF-funded, while Israel had an option for another 60 F-16 aircraft,[629] raising the potentially FMF-funded component to at least 73%. The relevance of foreign military sales is set to increase with the relaxation of export controls and because of declining US defence acquisition budgets.[630] Lockheed hopes that its international business will grow,[631] while Northrop Grumman wishes for international sales to at least partially offset reduced domestic sales.[632] While US government-funded sales are more immediately relevant to the question of contractors contributing to US strategic interests since the USA is spending its own money on them, it should be recalled that any foreign military sale is

[623] Lockheed Martin (1999), *Annual Report for 1998* (Bethesda, MD), p. 4.
[624] Cubic Corporation, *Annual Report for FY2013*, p. 13
[625] Ibid, p. 37.
[626] Lockheed Martin, *Annual Report FY2012*, p. 3.
[627] Northrop Grumman Corporation, *Annual Report FY2013*, p. 4.
[628] I thank an anonymous source for pointing out this long-standing dependency. Other platforms that are entirely dependent on FMS, according to the source, are the C-17, F-15, and some of the F/A-18. Personal interviews with anonymous sources.
[629] Lockheed Martin (2000), *Annual Report for 1999* (Bethesda, MD), p. 16.
[630] On export control reforms see Cora Currier (2013), "In Big Win for Defense Industry, Obama Rolls Back Limits on Arms Exports," in *ProPublica* (14 October 2013), accessed 27 February 2014, available at http://www.propublica.org/article/in-big-win-for-defense-industry-obama-rolls-back-limits-on-arms-export.
[631] Lockheed Martin, *Annual Report FY2012*, p. IV.
[632] Northrop Grumman Corporation, *Annual Report FY2013*, p. 29.

considered to be of strategic, bilateral relevance to the US government.[633] This is why sales grew from an annual average of $12 billion in the 2000s to over $30 billion under President Obama and a peak of at least $62 billion in notified sales in 2012.[634] This is not least because Shapiro "consistently advocated on behalf of U.S. companies. And I am not the only one. Secretary Clinton, Deputy Secretary Nides, other senior State Department officials, regularly advocate on behalf of U.S. bidders on foreign … procurements. It is no longer just our Ambassadors who promote U.S. defense trade in a given country."[635]

The observations further underscore the growing relevance of long-term services and relationships for contractors' balance sheets, investors, and business plans. Asked whether companies who have worked in Jordan for years and built a close working relationship with the Jordanian military would use these contacts to directly pitch ideas to the Jordanian military, the FMS chief in Amman replied "they would be silly not to!"[636] Cubic, for instance, despite primarily appearing to be a producer of hardware, made 58% of its sales in FY2013 from services-related work.[637] Such longer-term, relatively stable revenue flows are intended to bring a modicum of stability to an industry that often experiences significant fluctuations in business.[638] Maintaining long-term relationships with customers is equally important and communicated as such to shareholders and regulators.[639] Both should translate into success in "re-compete contracts to retain ... customers"[640] and to "leverage ... returns through follow-on business with existing customers" as was assumed

[633] See US DOS (PM), *Building Partnerships Abroad*.
[634] U.S. Department of State, Bureau of Political-Military Affairs (2012), "Remarks to the Defense Trade Advisory Group," (28 November 2012), accessed 29 November 2012, available at http://www.state.gov/t/pm/rls/rm/201157.htm.
[635] Ibid.
[636] Personal interview with Lt Col Keith Harrington.
[637] Cubic Corporation, *Annual Report for FY2013*, p. 12.
[638] Ibid.
[639] See e.g. ibid, p. 10.
[640] Ibid, p. 36.

above.[641] The company therefore seeks to focus more on international customers to whom it is easier to sell "multi-year, turnkey contracts" covering products and services.[642]

Foreign military aid is of course not limited to the Middle East. In fact, this attractive business domain is expanding. The US global strategic footprint is far from receding; drawdowns of uniformed personnel from some regions do not necessarily signify a reduction in the overall presence. Contractors, in fact, can be a welcome substitute for the thinly stretched regular armed forces, so that the drawdown may in fact lead to more business, not less. There is, on the one hand, the shorter-term business that is directly linked to major military operations and a subsequent US presence. In Iraq and Afghanistan, the training of new army and police forces has been predominantly conducted by private contractors. $1.5 billion were appropriated for 2011 and 2012 for the Iraq Security Forces Fund, and were spent at the discretion of DOD and through its channels, thus often flowing back into US industry.[643] In Afghanistan, as of November 2011 81.27% of the total workforce training the Afghan National Police were contractors.[644]

In addition to these shorter-term activities there is also long-term business security, underscored in the ongoing US military expansion into Africa. The private sector plays a critical role as force multiplier without which the USA would arguably be incapable of conducting its operations on the continent.[645] The USA from the start outsourced the majority of its efforts. It set up an umbrella contract in 2003 to

[641] Ibid, p. 10.
[642] Ibid, p. 12.
[643] U.S. Department of Defense, Special Inspector General for Iraq Reconstruction (2012), "Interim Report on Spend Plans for Fiscal Years 2011-2012 Iraq Security Forces Funds", SIGIR 12-015 (Arlington, VA), pp. 1, 4.
[644] 78.47% of the workforce involved were support contractors, while 13% of trainers were contractors, bringing the total to 81.27%. Cf. U.S. Government Accountability Office (2012), *Afghanistan Security: Department of Defense Effort to Train Afghan Police Relies on Contractor Personnel to Fill Skill and Resource Gaps*, GAO-12-293R (Washington, D.C.: U.S. Government Accountability Office), p. 3.
[645] See e.g. Kwesi Aning, Thomas Jaye, and Samuel Atuobi (2008), "The Role of Private Military Companies in US-Africa Policy," in *Review of African Political Economy*, Vol. 35, No. 118, pp. 613–628.

implement the training of peacekeepers.[646] Contractors were involved in all major African peacekeeping and training projects since the 1990s, beginning with the African Crisis Response Initiative (ACRI), its successor African Contingency Operations Training and Assistance (ACOTA), and the Global Peace Operations Initiative (GPOI).[647] The most famous case may be Liberia, where DynCorp first demobilised the old force and then recruited, vetted, and trained the new armed forces. Sean McFate, who was the programme manager in this case, correctly foretold in 2008 that the newly established Africa Command (AFRICOM) would likely outsource much of its capabilities, "given the complementary interests of supply and demand,"[648] further underscoring the overlap of government and industry's interests. This business is substantial; for instance, the USA is estimated to have spent $500 million on contractors to train about 13,500 of the 18,000 African Union troops to be deployed in Somalia.[649] It is therefore unsurprising that Africa is seen as possibly the most promising future market,[650] not least to offset declines in business "once the Iraq and Afghanistan 'bubble bursts'" as McFate predicted in 2008[651] and an industry publication confirmed in 2012.[652] Industry therefore developed the capabilities that are most likely to be in demand – training and equipping, security sector reform, and

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[646] Renée de Nevers (2012), "Looking Beyond Iraq: Contractors in US Global Activities," in *Contractors and War: the Transformation of US Expeditionary Operations*, eds Christopher Kinsey and Malcolm Hugh Patterson (Stanford, CA: Stanford University Press), pp. 60–81, at p. 70.

[647] Marquis et al., *Building Partner Capacity*, pp. 88–90. ACOTA training, for instance, is conducted by groups of fifteen to twenty contractors per case.

[648] Sean McFate (2008), "Outsourcing the Making of Militaries: DynCorp International as Sovereign Agent," in *Review of African Political Economy*, Vol. 35, No. 118, pp. 645–654, at p. 653.

[649] Jehron Muhammad (2012), "U.S. Military Contracting Out Operations in Africa," in *Final Call* (24 May 2012), accessed 2 December 2012, available at http://www.finalcall.com/artman/publish/printer_8801.shtml.

See also Jeffrey Gettleman, Mark Mazzetti, and Eric Schmitt (2011), "U.S. Relies on Contractors in Somalia Conflict," in *The New York Times* (10 August 2011).

[650] De Nevers, "Looking Beyond Iraq", p. 69. Business is also significant for instance in Latin America, see ibid, pp. 73–74.

[651] McFate, "Outsourcing the Making of Militaries", p. 653.

[652] Sandra I. Erwin (2012), "After a Decade at War, 'Soft Power' Industry Returns to Its Roots," in *National Defense Magazine* (11 April 2012), accessed 7 December 2012, available at http://www.nationaldefensemagazine.org/blog/Lists/Posts/Post.aspx?ID=743.

war-zone logistics –[653] so that its future business development efforts are more likely to succeed. As in Jordan, the US government involves industry early on, even advertising requests for information that are explicitly not remunerated or tied to a future contract tender. Industry's high response levels further prove that these activities are nonetheless seen as worthwhile investments.[654]

Finally, the reciprocal dependency between contractors and the US government extends to the domain of foreign military assistance. For industry, these sales – from the bilateral political relationship and the licensing of defence exports to the creation and funding of programmes like FMF – occur at the behest of government. The government also makes the decision to outsource – almost by default – rather than attempt to meet these responsibilities in-house. But this dependency also works in the reverse and highlights the strong reciprocity of the relationship and of the government's dependence on industry to implement its foreign military aid policy. As the FMS chief in Jordan put it, "without the commercial sector, military assistance operations would be severely scaled back. If it were not for the contractor workforce, there would be much less we could do in terms of capacity",[655] meaning that US foreign military assistance to a large extent is only possible because of contractors.

V. 3. iii. Observations from the UK

The UK's efforts in foreign military assistance are much more limited. Also, in line with its broader defence political guidelines, they are much more *ad hoc* and targeted towards specific areas and regions of interests, open to multi-national cooperation and the pooling of resources, and not designed with the benefits of industry in mind. While the UK provides support to its industry to increase sales

[653] McFate, "Outsourcing the Making of Militaries", p. 654.
[654] See e.g. U.S. Department of the Navy, Navy Air Systems Command (2011), "FMS Global Peace Operations Initiative (GPOI)," Solicitation Number: N61340-11-R-0025, 10 January 2011 (Naval Air Warfare Center Training Systems Division, Orlando, FL).
[655] Personal interview with Lt Col Keith Harrington.

overseas, it does not subsidise the purchase of UK goods and services by other states by setting up FMF-style programmes or sharing its acquisition channels with aid recipients.[656] In fact, UK programmes are of no comparable scale to those of the USA.

The possibly largest, longest-running security sector reform programme began in Sierra Leone in 1997 and by 2001 staffed 65 regular personnel in the IMATT.[657] While there were higher strategic considerations, most notably the intention to eventually provide Sierra Leonean forces for international peacekeeping missions especially in Africa,[658] the reasons for going into Sierra Leone were mostly found in UK politics. They included lobbying in London to intervene, the strong sense of a moral imperative to act in the former colony, and using Sierra Leone as a testing ground for the UK's ability to fulfil its conflict prevention and stabilisation role.[659]

Yet, even such a relatively large single project involving the comparatively smaller UK armed forces did not involve civilian contractors as trainers but at best for minor menial tasks. The UK itself routinely draws on its model of "Short Term Training Teams",[660] an inherent institutional capability of British Army units who are "already paid for",[661] and who in return maintain in-house expertise in this domain while "training the trainers".[662] The general evidence provided earlier thus fully applies to the Sierra Leonean case and further underscore that internal organisational arrangements inhibit the outsourcing of foreign military training by the UK. The very few contracts that are let do not follow a regular pattern as in the USA but rather an *ad hoc* one depending on the case, for instance "in-country through Defence Sections or their host Embassy or High Commission. These contracts are shaped by the

[656] Interviews with senior and mid-level UK government sources.
[657] Peter Albrecht and Paul Jackson (2009), *Security System Transformation in Sierra Leone, 1997-2007* (Birmingham: GFN-SSR), p. 54.
[658] Personal correspondence with Joe Edkins.
[659] Albrecht and Jackson, *Transformation Sierra Leone*, p. 171.
[660] Personal correspondence with Joe Edkins.
[661] Telephone interview with UK MOD source on defence engagement policy.
[662] Personal correspondence with Joe Edkins.

appropriate policy desks in line with Defence Engagement objectives".[663] While it is not possible to discern the total contractor component of the entire Conflict Pool expenditure, only about 19.2% of the MOD's Defence Assistant Funds of £12 million were spent on contractors in 2011-2012.[664]

The UK's mission in Sierra Leone benefited from contracting only in two peripheral ways; first, other UK government departments hired individuals under contract for advisory functions and capacity-building programmes, underscoring the similar shortage of in-house capabilities in the civilian agencies that also prevails in the USA. Secondly, and more relevant to the immediate training mission, the UK-led programme in Sierra Leone benefited from the mostly US-funded ACOTA programme, under which US contractors provided elements of the training for the first unit rotation to Somalia and were expected to do so again in May 2014. Among the objectives of these linkages between IMATT and ACOTA is to make efficient use of available resources,[665] i.e. the British concern for "value for money".

Other cases of UK aid are quite limited, with sources listing examples such as the transfer of used vehicles or field beds.[666] Overall, UK military aid thus in no way compares to, for instance, US government-funded purchases of entire aircraft fleets or maintenance services, for instance. More importantly, in no case does outsourcing automatically occur or is the private sector prominently present. The effort rather appears to grow almost entirely out of the government agencies who, if in need of synergies, draw on and share resources with other available programmes and resources such as ACOTA before contracting for a capability on their own.

[663] UK MOD, "Response to FOI Request 18-01-2013-142054-012".
[664] Ibid.
[665] Personal correspondence with Joe Edkins.
[666] Interviews with senior and mid-level UK government sources.

V. 4. The Foreign Military Assistance Policy Networks

Previous chapters showed that industry is a participant, or at least an observer, throughout the process and across its hierarchy, ranging from problem identification and deliberations through agenda-setting, delivery, and evaluation of acquisition policy. At the same time, no potential veto player of comparable clout was observed on the higher policy levels. The examinations above both support these findings while also highlighting an important divergence. The UK, whose high defence services acquisition process differed comparatively little from the USA, displays a significant variance regarding the outsourcing of foreign military assistance. This variance originates in its different approach to domestic industry, its stronger focus on immediate gains to its own armed forces and national security objectives (which do not include industry to a comparable degree as in the USA), and the significantly different role of its legislature in framing and affecting ongoing and future policy.

As noted, foreign military assistance occurs on two levels, a higher, politico-strategic one and a lower, acquisition and implementation-oriented one. They are however by no means entirely distinct or disconnected, with defence attachés, military cooperation offices, and various brokers maintaining an uninterrupted link between these two analytically separated levels.

On the strategic level, the network comprises the legislature (in the USA) and the central government departments for foreign and defence affairs. Both the US State Department office for political-military affairs and its counterpart in the UK MOD engage little with industry, liaising mostly internally, with other government departments, and with the legislature (more so in the USA than the UK).[667]

It is primarily at the US Congress that industry and foreign military sales enter the strategic level of foreign military assistance policy in the USA, while its near-

[667] This was invariably confirmed in a personal interview with US DOS sources, interviews with senior and mid-level UK government sources, personal interview with UK MOD source, and telephone interview with UK MOD source on defence engagement policy.

absence in the UK Parliament partly explains the variance. While the US Congress appropriates funds on a line-item basis for foreign spending, the UK Parliament does not have such detailed controls over UK government spending, making it an uninteresting target for industry, while the executive government departments were shown to be little interested in subsidising UK industry to provide foreign military assistance. In the USA therefore, and by contrast to the UK, foreign diplomats - through lobbyists, brokers, and possibly companies – focus in particular on Congress to lobby for their interests, but also target the policy-setting offices within the State Department and elsewhere in the executive.[668] This likely results in part from the revolving door that spins more freely between Congress and industry, think tanks, and consultancies than with government departments, and the possibility of making campaign donations to lawmakers. Unfortunately, lobbying records are inconclusive as they give no practicable information on the content of conversations with lawmakers beyond at best mentioning something akin to 'discussing foreign military sales policy', and DOD does not make lobbying disclosure forms publicly available.[669]

As noted earlier, there are important connecting points to the lower implementing levels and specific sales cases. On the one hand there are the host country governments and armed forces. In the case of Jordan, both anonymous and on-the-record sources report that even government ministers and MPs have no possibility to gather information about the inner workings of what is routinely called the "black box" of the military unless they are themselves senior members of those

[668] In the US political system, the number of involved agencies makes it a steep effort to lobby all of them, but it also means that a "no" from one does not mean that the matter is decided. By going around some who had refused expanding economic aid to Jordan in the 1997, for instance, the country still managed to increase the amount of aid it received from the USA, eventually receiving even more than the requested sum, according to the country's former ambassador in Washington, see personal interview with Dr Marwan Muasher. Former Jordanian Foreign Minister, Deputy Prime Minister, and Ambassador in Tel Aviv and Washington, D.C., now Vice President for Studies, Carnegie Endowment for International Peace, Washington, D.C. Carnegie Endowment for International Peace Offices, Washington, D.C. (06 May 2013).

[669] FOI and other requests by this author asking about lobbying records in general and regarding the US-Jordanian military aid relationship in particular were unsuccessful.

inner circles.[670] These policies are made directly by the royal court, with HM King Abdullah II himself being a Major General in the Jordanian Special Forces,[671] and his brother Prince Feisal sharing the military background and interest in the country's armed forces.[672] The Jordanian military attaché in Washington, D.C. serves as the main official gateway to the US government and Congress and gatekeeper for military aid and companies in the USA. LORs and LOAs would pass on his or her desk, and he or she serves as a point of contact for the US security cooperation office in Amman. The attaché's work is said to be unknown to civilian Jordanian officials, who are not involved in those discussions.[673] Not only officials such as Prince Feisal, but also individuals with close relationships within those circles pitch FMF-funded acquisitions directly to the Jordanian military who then approaches the US embassy for want of indigenous funding to procure – against the discouragement of sole-sourcing – the specific product or service from a specific contractor.[674]

Further connecting both levels are the military cooperation offices and US embassies overseas. Embassies, including the SCOs, are in constant contact with industry on the one hand and the host military on the other. DOD operates military cooperation offices in approximately 150 countries, and there are currently more than 10,000 US government employees involved in security cooperation.[675] Although the UK also operates defence attachés and military liaison offices that proactively identify local needs and develop projects, the fact alone that they are not present in

[670] Personal interview with Bassam Haddadin. Member of the Jordanian Parliament. Jordanian Parliament, Amman, Jordan (28 August 2012), and personal interviews with senior and other Jordanian sources.
[671] Sharp, "Jordan", p. 2.
[672] HRH Prince Feisal's name recurred most often as a promising entry point for industry and brokers to generate interest for products and services in the Jordanian military.

On the growing role of the military in Jordan's economy and its defence industry see Anne Marie Baylouny (2008), "Militarizing Welfare: Neo-liberalism and Jordanian Policy," in *Middle East Journal*, Vol. 62, No. 2, pp. 277–303, and Jomana Amara (2006), "Military Industrialization and Economic Development: Jordan's Defense Industry," in *Defense Resources Management Institute Working Paper Series*, No. 2006/04.
[673] Personal interviews with senior and other Jordanian sources.
[674] Personal interview with Lt Col Keith Harrington, the FMS chief in Amman.
[675] US DOD DISAM, "Security Cooperation Familiarization Course".

nearly every country, let alone with an average of 67 working in some capacity for military cooperation per country, further underscores the difference in scope. Also, the direct links with UKTI further highlight the increasing profit orientation of also the military relationship, i.e. the facilitation of larger sales.[676]

Brokers and various types of industry representatives complement the link to the implementing country levels. On the one hand, they facilitate contact or directly pitch products on behalf of industry. One of these brokers, mentioned by two anonymous sources, is said to control 80% of the military sales market in Jordan by successfully networking with Jordanian officials, connecting companies with senior Jordanian officials who have some leverage over acquisition decisions, and supporting the funding process.[677] On the other hand, sales representatives should also liaise and have a relationship with the US embassy; "the good ones do."[678] They also operate within various social networks or at large gatherings such as Jordan's biannual Special Operations Forces Expo (SOFEX) that take on an entirely informal, yet potentially influential role regarding specific FMF cases.[679] On more than one occasion anonymous sources pointed out that conversations at social gatherings allow for informal information exchange and the discussion of ongoing or potential FMF-cases. Such gatherings can involve any combination of the actors identified above, and provide a confidential setting to make progress without the constraints of standard operating procedures.[680]

Implementing agencies are then the main active link to industry once a programme is implemented. They regularly interact with customers before LORs are

[676] Cf. telephone interview with UK MOD source on defence engagement policy and interviews with senior and mid-level UK government sources.
[677] Personal interviews with senior and other Jordanian sources.
[678] Interview with senior source with knowledge of CTC sale to Jordan.
[679] Personal interview with US DOS official in Amman.
[680] Personal interview with US DOS sources.

submitted,[681] with anonymous sources suggesting it may be as often as half the time for some implementing agencies,[682] and work closely with industry as the military "implementing" agencies increasingly become managers of projects rather than the actual implementers.[683]

The network map below confirms the earlier finding that, in the USA, industry is involved throughout the process and virtually across the entire hierarchy. While it did not routinely get involved at the highest levels, section V.5 shows how industry may try and affect high-level decisions regarding foreign military policy once its core interests are directly affected, rather than waiting for others whose core competency is framing strategic debate to do so. The above also confirmed that foreign military assistance in the USA is a policy around which networks develop that overwhelmingly share an interest in furthering the relationship and expanding the practice. As the involved actors are almost exclusively government, industry, consultants or brokers, and the military, the significant overlap of their interests and the absence of potential veto-players is further underscored.

[681] Julia Shoemaker (2012), "Foreign Military Sales: District's Traditional Role Returning," in *Transatlantic Times*, Vol. 3, No. 2, pp. 22–24, at p. 23.
[682] Interview with US military expert sources on FMS.
[683] The USACE, for instance, controls zero construction forces and does all construction work, and even a large amount of its design work, through contracts. Ibid.

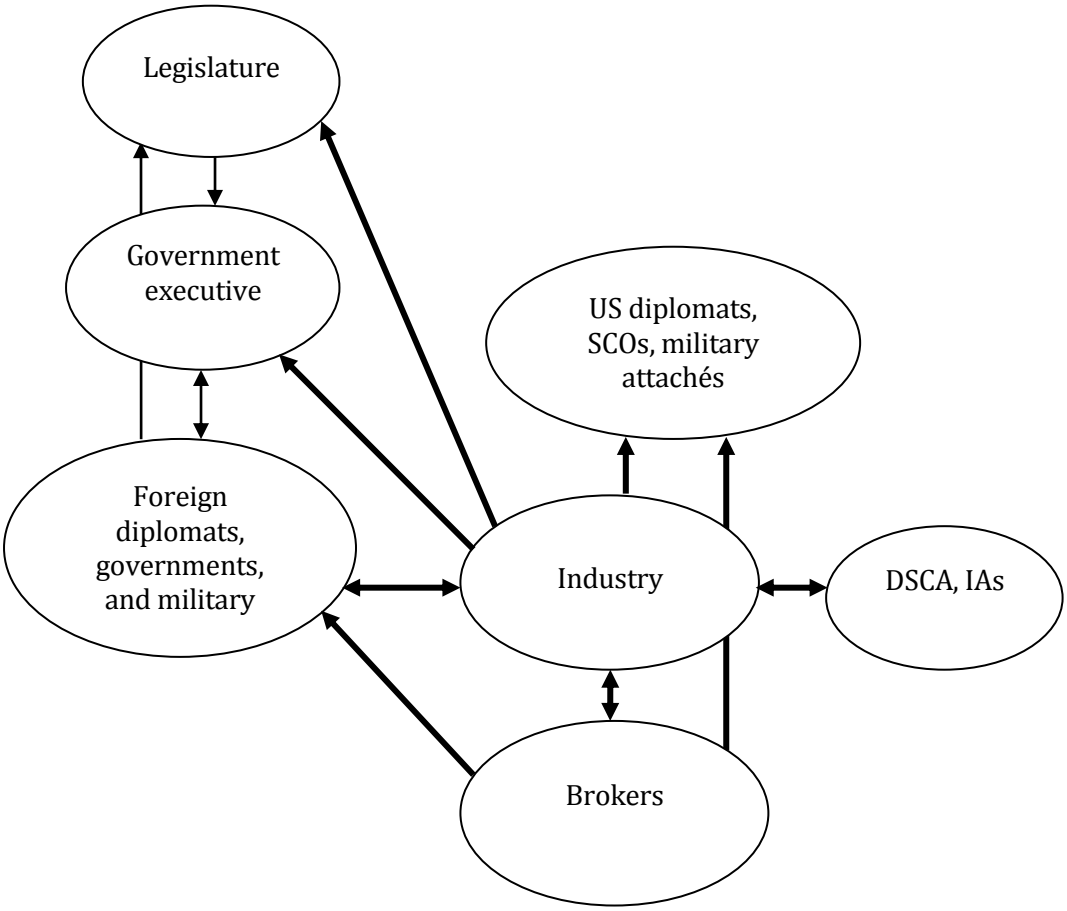

Figure 5.1: The US foreign military assistance network, centred around industry. Relevant relationships not directly involving industry are included, also to demonstrate the contrast with the UK below.

The above map underscores that industry has links to and working relationships with all actors involved, and probably is the only actor to whom this applies. Its relationships are in fact central and (what the map cannot show) cover the entire timeline of the process. Moreover, the simultaneous lack of veto-points and potential veto-players who do not have an immediate stake in foreign military aid as well as the considerable overlap of interests suggest a relatively narrow scope of interests pursued in this policy domain in the USA and thus a strong selectivity of the network.

The symbolic absence of the legislature in the UK's network represents the key difference in terms of the process. Industry is structurally at best peripheral to the UK's foreign military assistance policy, which revolves much more closely around immediate politico-strategic aims.[684]

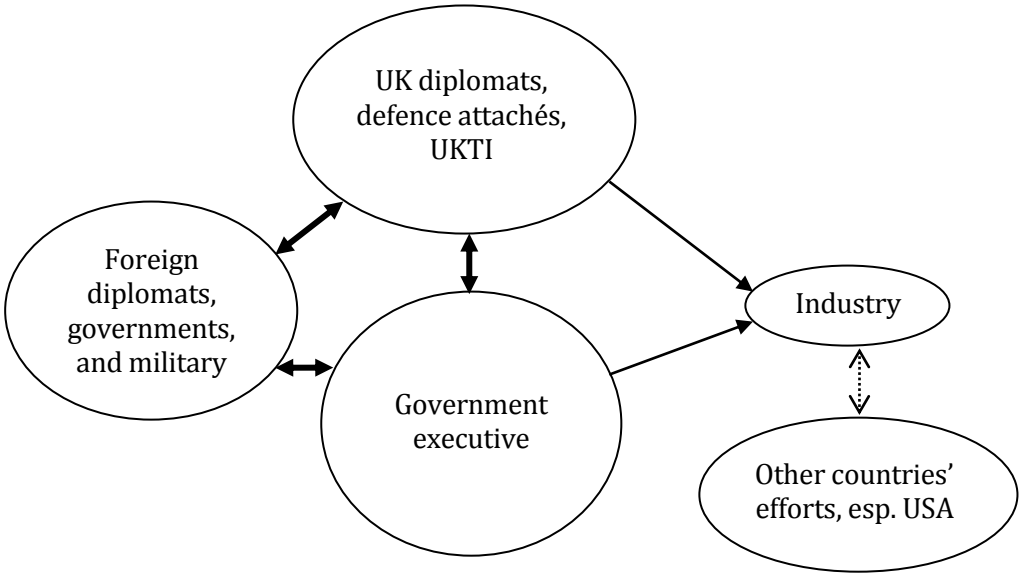

Figure 5.2: The UK foreign military assistance network, centred around government.

V. 5. Problems and Concerns

The oft-noted mutual dependency between contractors and government as well as the overlap and increasing convergence of their interests are central to some of the concerns and the problems raised by the evidence in this and the next chapter. The concerns revolve around the state's autonomy in decision-making in the context of sweeping contractorisation,[685] as well as the militarisation of foreign policy

[684] The SSR effort in Sierra Leone, for instance, is not viewed to have created tangible economic benefits to the UK, but on balance more likely cost the country, as voiced in a personal interview with UK MOD source.

[685] Cf. Avant, *Market for Force*, pp. 228–240 who argues that non-state actors may gain influence on the policy-making process.

Leander, *Eroding State Authority*, pp. 97–98 warns of the opaqueness of various spaces within which contractors can affect decision-making, for instance by influencing security discourses and perceptions; See also Leander, "Power to Construct International Security".

through the increased implementation of assistance efforts by the defence establishments at the relative expense of diplomatic and development agencies.[686]

V. 5. i. Making and Shaping High Political or Strategic Decisions

Regarding the question of who owns political decisions, it is feasible to distinguish between two kinds of decisions; high politics or strategy on the one hand, and acquisition and programmatic decisions on the other. Regarding the higher political levels, industry is certainly active in this regard, especially when it views its core interests as being directly threatened. As was observed in chapter II, industry routinely reproduces those narratives and discourses used by the government and that favour high spending and commitments in the domains in which they are active. This occurs in small surroundings such as the delivery of the combat simulator in Jordan which reiterated the increased interoperability with US and other allied forces.[687] This may also occur less explicitly when industry advocates or representatives appear on national television shows on a daily basis, often without disclosing their ties to industry while advocating for expansive policies, most recently in Iraq, Afghanistan, and Syria.[688] Statements in support of either pre-existing government policy or of expanding commitments are not surprising either, as the existence of such revenue streams creates an incentive to harness them. Such recitations aim at network selectivity by narrowing the potential agenda so that it supports continuous investments in interoperability, building partner capacity, intervention capabilities and so on.

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[686] Serafino, "Security Assistance Reform", p. 10. See also Stanger, *One Nation under Contract*, p. 83.

[687] Cubic Corp., "Cubic Circuit", p. 2.

[688] See for instance the Pulitzer Prize winning report by David Barstow (2008), "Behind TV Analysts, Pentagon's Hidden Hand," in *The New York Times* (20 April 2008), pp. A1.

See also Sebastian Jones (2010), "The Media-Lobbying Complex," in *The Nation* (11 February 2010), and

Public Accountability Initiative (2013), *Conflicts of Interest in the Syria Debate,* accessed 4 March 2014, available at http://public-accountability.org/2013/10/conflicts-of-interest-in-the-syria-debate/.

On the reverse, if these revenue streams are endangered, industry can gear into action to oppose government policy. Industry has previously shown willingness to lobby for FMS as well as the smaller FMF programme, for instance under the Carter administration. After the passing of Presidential Directive (PD) 13, whose bottom line was reducing FMS and FMF-type spending from FY1978 onwards to only comprise cases with direct relevance for US national security, and no longer introducing new advanced weapons systems in other world regions,[689] DOD sent out what its critics called the "Leprosy Letter" to US embassies directing them "to no longer speak with, interface with, or support US military or defence industries doing business in those countries."[690] About thirty or forty defence companies from the United States banded together and formed a lobbying group, the American League for Exports and Security Assistance (ALESA). ALESA hired a recognised union leader as its head and several former Congressional staffers "who knew the ins and outs of Capitol Hill", and received funds from all member companies to lobby against PD 13.[691] While President Carter did not respond to the pressure, President Reagan reversed the directive within five months of taking office. He applied the opposite argumentation as to the international security ramifications of military sales and aid, and emphasised the economic and other benefits of such sales.[692] The size of the companies matters in this context; companies that depend on foreign sales in general or for individual production lines – like Lockheed Martin for the sale of its F-16 aircraft – are more likely to get involved if FMF or FMS are limited.

Supporting this analysis on a country-specific level, Shana Marshall dissects how the close military-to-military relationship between the USA and Egypt, the

[689] U.S. White House (1977), "Presidential Directive/NSC-13: Conventional Arms Transfer Policy", (Washington, D.C.), accessed 4 March 2014, available at http://www.fas.org/irp/offdocs/pd/pd13.pdf, pp. 1–2.
[690] Interview with anonymous. Senior industry source with direct knowledge of ALESA (2013).
[691] Ibid.
[692] U.S. White House (1981), "National Security Decision Directive 5: Conventional Arms Transfer Policy", (Washington, D.C.), accessed 4 March 2014, available at http://www.reagan.utexas.edu/archives/reference/Scanned%20NSDDS/NSDD5.pdf.

sizeable FMF funds appropriated annually for military aid, and the jobs argument create a confluence of interests that encourages the continuation of aid despite severe criticism of the Egyptian Army's behaviour since the 2011 uprising in the country. The US embassy in Egypt and its military planning colleagues are quoted in a leaked cable to have been "especially concerned" with those production lines that depend on foreign customers, an argument that is repeated by lobbyists on Capitol Hill.[693] Given the composition of the network, they would not face substantial opposition from veto-players given industry's clout and economic value to the country; significant cuts are therefore unlikely "[whatever] muted criticism of the aid program exists within Washington".[694]

The crisis elicited by the removal of President Mohamed Moursi in Egypt on 3 July 2013, and subsequent calls for the cancellation of military aid, are a case in point. As a company like Cubic would have to lay off only one person and not discontinue any production lines if aid was suspended for a full year, it did not lobby on this issue.[695] Lockheed Martin's reaction was markedly different. The company received the largest share of FMF-funded contracts in Egypt between 2009 and 2011, among others for F-16 jets and maintenance.[696] Faced with minor reductions in military aid, the Egyptian government, for its own image repair, hired a lobbyist who, incidentally

[693] Shana Marshall (2012), "Why the U.S. Won't Cut Military Aid to Egypt," in *Foreign Policy* (29 February 2012), accessed 4 March 2014, available at http://mideastafrica.foreignpolicy.com/posts/2012/02/29/why_the_us_won_t_cut_military_aid_to_egypt.

Recall the quote by the FMS chief in Amman who called the FMF programme, among others, a "U.S. jobs programme". Personal interview with Lt Col Keith Harrington.

[694] Shana Marshall (2013), "Partners in Profiteering: Defense Firms and Diplomats in Post-Revolutionary Egypt," in *Jadaliyya* (24 July 2013), accessed 4 March 2014, available at http://www.jadaliyya.com/pages/index/13156/partners-in-profiteering_defense-firms-and-diploma.

[695] Interview with senior source with knowledge of CTC sale to Jordan.

[696] National Public Radio (2013), "The U.S. Defense Contractors that Benefit from Aid to Egypt," in *NPR* (19 August 2013), accessed 4 March 2014, available at http://www.npr.org/blogs/parallels/2013/08/19/213471071/the-u-s-defense-contractors-that-benefit-from-aid-to-egypt.

or not, also represents Lockheed Martin.[697] The eventual freeze in aid that the US government imposed was more symbolic than substantial. It only withheld major equipment while continuing to send supplies for border security, counterterrorism, spares for US-origin military equipment, and military training and education.[698] Moreover, financial shortfalls were offset by the United Arab Emirates and Saudi Arabia, two US allies.[699]

The above also underscores yet again the importance of the role assigned to the US defence industry in national defence, making the US government willing to delegate even important foreign military political activities. For instance, after the 1991 Gulf War, the head of the operations directorate in Saudi Arabia, who was a pilot in the Royal Saudi Air Force, praised the Allies' air war and noted that the Royal Saudi Air Force needed a long term vision. The officer hired what a well-informed source called "some of the best and brightest operational and tactical thinkers from the defence industry", and put them in a place called the "cave", a basement in downtown Riyadh.[700] There they met for over two years on a daily basis to build the long-term and short-term plans for the Saudi Air Force, addressing questions about its composition, the kind of equipment it would have, how it would train, what kind of weapons it would have, and how it would interface with other parts of the Saudi armed services and with US Central Command (CENTCOM). The US and UK governments, when they became aware of what was going on, reacted "very positively" given the "spectre of Iran". While remaining in the loop, they maintained a hands-off approach while industry advised the Saudi military on its strategy and

[697] Kevin Bogardus (2013), "Egypt Turns to K Street after U.S. Aid Cut," in *The Hill* (12 October 2013), accessed 4 March 2014, available at http://thehill.com/business-a-lobbying/328195-egypt-hires-top-washington-lobbyists-after-us-aid-suspension.
[698] U.S. Department of State (2013), "U.S. Assistance to Egypt," 09 October 2013 (Washington, D.C.), Press Release 2013/1243, accessed 4 March 2014, available at http://www.state.gov/r/pa/prs/ps/2013/10/215258.htm.
[699] Ian Black (2013), "Obama Ready to Trim Military Aid to Egypt in Sign of US Disapproval," in *The Guardian* (09 October 2013), accessed 4 March 2014, available at http://www.theguardian.com/world/2013/oct/09/obama-cut-military-aid-egypt.
[700] Interview with anonymous. US source acquainted with industry's consultancy in Saudi Arabia after the 1991 Gulf War (2013).

acquisitions for the future.[701] The UK government's reaction in particular underscores its willingness to allow industry a lot of leeway in its international business dealings while not actively subsidising the effort.

In sum, where there is concern for others' military capabilities, for the domestic defence industry, mutual dependence between government and industry, and programmes or channels in place which connect them, there are abundant ways for various actors to successfully raise concerns throughout the hierarchy.

V. 5. ii. Making and Shaping Acquisition or Programme Decisions

The example from Saudi Arabia, only secondarily about military aid,[702] epitomises the fuzzy border between higher political decision-making and lower acquisition and programmatic decision-making. The project aimed at establishing Saudi Arabia as a militarily formidable US ally in the region, and planned the military's equipment acquisition in detail. On the lower levels contractors were shown to take on a prominent, potentially dominant role that manifests itself especially but not exclusively in sourcing decisions.

While the desired involvement of contractors was already shown to be high, the unregulated space for influencing acquisitions is vast. This is most clearly epitomised in concerns about sole-sourcing, i.e. buying products or services from a particular source without competition.[703] The online forum "Ask an Instructor", in which US security cooperation officers and other government officials can ask for advice from instructors at the Defense Institute of Security Assistance Management, contains numerous examples.[704] Sole-sourcing is officially discouraged by DOD, which

[701] Ibid.
[702] The country in the early 1990s struggled to pay for its purchases and had to rely on industry accepting a delay in payments under the general guidance of the US government. Ibid.
[703] Sole-sourcing must not be confused with single-sourcing, which means that there exists only one source for a product or service and can therefore be acquired without launching a formal competition.
[704] Cf. U.S. Department of Defense, Defense Institute of Security Assistance Management, "Ask an Instructor," accessed 5 March 2014, available at http://www.disam.dsca.mil/aai/.

states that competition should be the normal procedure.[705] Several questions enquire about "exceptions" and "loopholes" in the ability of government personnel to "inform a FMS customer to provide Sole Source Direction for any procurements"[706] or to speed up acquisitions by buying from a source that already provided similar services or equipment.[707]

Moreover, even though every acquisition request must formally originate from the purchaser, the above forcefully illustrated that the purchaser may be in ongoing, non-memorialised contact with various subject-matter experts who could for all intents and purposes be the *de facto* originators of the idea, as was the case with Cubic's combat simulator. The government is both aware and apparently untroubled by this seeming contradiction, accepting the natural customer-provider relationships as normal and beyond their control.[708] The FMS chief in Jordan simply said that "business development people want to make business with Jordan",[709] a process to which the identification of requirements is inherent. Thus, even though the USA discourages sole-source acquisitions, it cannot stop the type of process from occurring in which a company "may approach HRH Prince Feisal or somebody else and pitch an idea. The Jordanian Armed Forces, for instance, may get excited about the product or service", and for want of indigenous funds ultimately use FMF to purchase that product or service sole-source against the recommendation of the US government,[710] especially when the country has relatively strong autonomy in how to spend its funds as in the case of Jordan. In other words, the contractor comes in much earlier than the regulations suggest is the norm, which would be *after* the initial

[705] US DOD DSCA, *Security Assistance Management Manual*, C6.3.4.
[706] US DOD DISAM, "Ask an Instructor", Question A0165.
[707] Ibid, Question A0728.
[708] Interview with US military expert sources on FMS, and interview with senior source with knowledge of CTC sale to Jordan.
[709] Personal interview with Lt Col Keith Harrington.
[710] Ibid.

identification of the recipient country's requirements.[711] Thus, rather than being merely responsive to the customer's needs, industry aims to shape its customers' thinking and acquisition interests and hopes that – when the purchase goes out for competition – their company is in a good position to win.[712] As the FMS chief in Jordan put it, industry "would be silly not to" use their relationships in the country to pitch sales ideas.[713]

On the programme level, industry can thus take a very prominent role in the running of the foreign military relationship. The Egyptian Army's spokesman went on the record to state that contractors not only support the US and Egyptian governments with a plethora of services; "the companies are brokers who help manage the aid."[714] While this may not be the norm and depend on the role the host country allows the company to play,[715] it represents yet another avenue for business to be close to or even occupy a key node in the foreign military relationship. This should be especially attractive in countries that are entitled to spend their FMF-funds directly with US companies.[716]

Finally, contractors can bring their weight to bear in budgetary disputes. According to sources familiar with the review process to the FY2011 budget, when it came to foreign military assistance funding "the Pentagon effort, supported by civilian contractors, [was] far more massive than at State, giving DOD an advantage in terms of research, preparedness, and execution."[717] The Section 1206 authority, that had

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[711] US DOD DISAM, *Management of Security Cooperation*, chapter 5, pp. 2-3.

[712] UK sources confirmed that, in general, informal consultations with government officials are aimed at influencing their thinking to ultimately lead to competitions which are framed in a way that is likely to lead to their company winning a contract, a practice that with EU regulatory changes has become legal. Personal interviews with senior and mid-level UK industry sources.

Cf. also footnote 612.

[713] Personal interview with Lt Col Keith Harrington.

[714] Marwa Awad (2012), "No Foreign Army Bases in Egypt, Army Spokesman," in *Reuters* (12 October 2012).

[715] Interview with US military expert sources on FMS

[716] Cf. US DOD DSCA, *Security Assistance Management Manual*, C9.7.3.

[717] Josh Rogin (2009), "The Real State-Defense Turf War Begins," in *Foreign Policy* (03 November 2009), accessed 23 August 2012, available at

been opposed by some in the State Department on the grounds that this type of authority traditionally belongs there rather than in DOD, remained – well-funded – in the Pentagon, despite pledges by the Secretary to demilitarize foreign policy.[718] Contractors are thus a force to reckon with in the policy and budget battles on Capitol Hill, in this case for a programme that was predominantly implemented by contractors.[719] The sense of involvement and being part of a team in budget negotiations, observed in chapter IV, also applies here.[720]

V. 5. iii. Playing into the Militarisation of Foreign Policy?

The last example leads over to the wider concerns about a militarisation of US foreign policy[721] that also arose specifically with regard to DOD's expanding foreign military assistance authorities, programmes, and spending.[722] Not only the Army regards its soldiers as "uniformed ambassadors of the nation … [who] provide the nation strategic access" to otherwise inaccessible places, as the Chief of Staff of the Army put it;[723] as noted earlier, contractors are strategically drawn on for the same purpose.[724] By enabling a quasi-military presence in areas where a uniformed presence would be unwelcome, contractors make the military course of action – already advantaged over its diplomatic and development-political counterparts in

http://thecable.foreignpolicy.com/posts/2009/11/03/the_real_state_defense_turf_war_begins

[718] Josh Rogin (2010), "Pentagon Wins Turf War with State over Military Aid," in *Foreign Policy* (20 January 2010), accessed 23 August 2012, available at http://thecable.foreignpolicy.com/posts/2010/01/20/pentagon_defeats_state_in_turf_war_round_one.

[719] Serafino, "Section 1206", p. 1.

[720] Cf. Mak, "Defense industry cautiously upbeat".

[721] See e.g. Downes, "Unintentional Militarism".

[722] Serafino, "Security Assistance Reform", p. 10.

[723] Raymond T. Odierno, "The Force of Tomorrow," in *Foreign Policy*, accessed 5 February 2013, available at http://www.foreignpolicy.com/articles/2013/02/04/the_force_of_tomorrow?page=full.

[724] Mohlin, *Strategic Use of Military Contractors*, p. 226.

terms of budgets and manpower –[725] even more feasible; decision-makers need not look for a non-military alternative.

Thus, in the USA, despite the declining percentage of military aid in the foreign aid budget there is no indication of an overall decline in military cooperation. Rather, with the new DOD authorities and programmes, the practice has diversified and now increasingly escapes the direct control and funding of the State Department.[726] In the UK, meanwhile, the cross-government programme in Sierra Leone led to the acceptance of a potentially central role for the military in development policy and among the development community.[727] It thereby also gradually normalised a security-oriented approach to post-conflict reconstruction and made the use of the military instrument more likely in the future.

On the receiving end, military assistance policy can also run counter to the broader political and economic objectives pursued in the host country. The longest-serving member of the Jordanian parliament for instance points out that there are no debates about security and defence as the governing majority regards this as a taboo.[728] There is no parliamentary committee for security or defence despite having been proposed in the past. There is therefore no possibility, not even for members of parliament, parliamentary committees, or members of the governing cabinet to gain insights into the military relationship. The Jordanian Ministry of Planning, in reports and data it provides on foreign aid, lists the full amount of $650 million of aid from the US (of which $300 million is earmarked for military aid) but does not mention military aid at all in its breakdown.[729] Military aid to Jordan, according to anonymous

[725] Downes, "Unintentional Militarism", pp. 372–373.
[726] Tarnoff and Lawson, "Foreign Aid", pp. 9–12.
[727] Albrecht and Jackson, *Transformation Sierra Leone*, pp. 175–178.
[728] Personal interview with Bassam Haddadin.
[729] Jordanian Ministry of Planning and International Cooperation, "Foreign Assistance Committed to Jordan in 2010", accessed 5 March 2014, available at http://www.mop.gov.jo/uploads/Ex%20%20Summary-Foreign%20Assistance%202010%20-English%20(2).pdf.
The same applies to the ministry's published statistics from every preceding year.

sources, is not subject to human rights or democratisation concerns unlike the non-military aid budget.[730] Being weighed against the strategic benefits, and lacking credible and sustained high profile criticism, the same interpretation applies to Jordan as Marshall made regarding Egypt;[731] aid to Jordan is not likely to face a credible threat of cessation despite the strategic, acquisition, and ethical concerns discussed above.

V. 6. Findings and Conclusions

This chapter set out to examine whether the findings made at the high political levels, especially in chapters III and IV, apply as strongly to sub-domains as assumed, and how outsourcing both contributes to selectivity and creates opportunities for change. In broad terms it found evidence to support the claims that the combination of the contextual factors of strategic posture, resource constraints, and a general prominence of and preference for industry in providing services drives military outsourcing. This chapter confirmed the assumptions developed in section III.3.ii: states narrow down their notion of "inherently governmental" when faced with resource constraints. The current practice of supplying defence policy creates incentives for industry to coalesce and pursue revenue streams. Also, the network comprises mostly government and industry actors, and – not least due to the dearth of veto-points and strong veto-players – change is relatively unlikely.

However, it also underscored the relevance of an intervening factor that introduces variance to our cases, namely the willingness to subsidise the domestic defence industry, and relatedly the degree to which defence policy focuses primarily on immediate national interests and their own armed forces. Combined with the

[730] Personal interviews with senior and other Jordanian sources.
[731] Cf. Marshall, "Why U.S. Won't Cut Military Aid to Egypt" and Marshall, "Partners in Profiteering".

different role of the legislature these factors go a long way to explaining the variance between the USA and the UK regarding both the scope of foreign military aid efforts and the degree to which they are outsourced. In line with Policy Network Theory, the USA and the UK did not utilise the same policy instruments in order to reach the same policy goal,[732] and thus display a variance in their acquisition outcomes.

Overall, the chapter confirmed both the systemic nature of contractorisation, with the 'bias towards business' being unmissable in US foreign military aid programmes, and the factors reducing its levels in the UK being equally located in the contextual and systemic frame of the policy process. Similarly, the concerns raised originate on the systemic level, with a strong dependency, patchy regulations, and incomplete paper trails allowing for the effective takeover of military assistance practice by industry and the further equation of industry's interests and activities with those of the US government. The militarisation of foreign policy through contractorisation is then systemic, but ultimately only a by-product. Finally, the use of contractors allows the US government to skirt the question of reappraising its otherwise untenable gap between political commitments and available economic and manpower resources while continuing to extend its military-to-military relationships and the provision of military assistance in pursuit of (support for) its globe-spanning military operations. In other words, the implementation of policy – the third part of the process as per PNT – so far successfully feeds back to reaffirm rather than challenge the contextual factors identified earlier.

And yet, the chapter also highlighted the avenues that could lead to a potential change of these structures. On the one hand this could be an ideational shift that leads to a reappraisal of the value of the domestic defence-industrial base. In the UK, this could lead to an increase, in the USA to a decrease in foreign military assistance efforts and the use of contractors therein. On the other hand, the political process –

[732] Cf. Adam and Kriesi, "Network Approach", pp. 136–138.

while all but devoid of veto-points and potential veto-players – could substantially alter its fundamental operating logics. This would happen in particular if the legislature in the USA, on whom much of the policy, its funding, and the centrality of industry in these Congress-appropriated programmes hinge, reappraised its stance towards either of the driving forces. Similarly, either of the involved public actors could renounce the mutual dependency between industry and government and thus similarly force a reduction of either of the driving forces identified above. In other words, change would require the introduction of a significantly interested and well-connected veto-community.

Nonetheless, as it stands now, foreign military assistance is likely to display 'more of the same' in the foreseeable future, as neither of these developments are on the horizon in either country. In the USA, the expansiveness and durability of defence strategy and posture remain unchallenged as they are not seen to have abjectly failed, as do the valuation of private sector knowhow, products, and workforces, and the pervasive informality that reinforces rather than challenges the prominent role of industry throughout the process and across its hierarchy. Moreover, the formal linkages of foreign military assistance to national security present formidable challenges to any actor wishing to substantially alter the policy.[733] Levels of funding and its attractiveness to companies' business development divisions and lawmakers' electoral districts are set to remain high. There are no material or political incentives for actors to challenge the status quo from within, with international sales being encouraged not least to offset reduced defence spending at home. Moreover, neither country, as the next chapter underscores, fears the mutual dependency between government and industry, while in the UK neither a strategic nor an economic or financial realignment appears likely in the foreseeable future. Introducing the UK Parliament into the process represents a much larger challenge than changing the

[733] Cf. Stanger, "Contractors' Wars", p. 200.

thinking within the US Congress because it would require constitutional rather than merely procedural change. The UK's military aid policy should thus also remain largely unchanged for the time being. Future policy cycles should further normalise and institutionalise the practice in the USA and keep it relatively limited in the UK.

The policy and practice of foreign military assistance thus confirm the selectivity that narrows down policy options in such a manner that the remaining alternatives all involve 'more of the same'. They also provided further support for the view that in the USA the interests of government and industry are converging ever more. And yet, at least formally, in foreign military assistance industry remains an addendum to ostensibly government-led policies, and merely provides products and services as required on a seemingly *ad hoc* basis. As the next chapter illustrates, the USA and the UK are going a significant step further in a much larger sub-domain of the defence enterprise. In military logistics, rather than maintain a formal division between public and private actors and workforces, we are witnessing a deliberate, formal, doctrinal, and force structural reshaping of military support services into a public-private enterprise. Interests do not only partly overlap but are increasingly becoming one. Representing both the origin of the contemporary wave of contractorisation as well as one of the most money-intensive domains, the outsourcing of military logistics is therefore especially representative of the trajectory of military services contracting well into the future.

VI. Outsourcing Military Support: Heralding the Trajectory and Ramifications of Military Services Contracting

This chapter concludes the overarching analysis. The previous four chapters established the context and drivers of contractorisation, mapped the high politics of contracting, and identified their "bias towards business". They also argued that the relatively successful implementation of defence policy with contractors reinforces these driving forces and creates incentives for industry to organise in pursuit of business opportunities. Moreover, regarding the trajectory of outsourcing, they suggested that the future is likely to witness more contractorisation rather than less, not least because of the distribution of access to decision-makers, the dearth of veto-points and strong veto-players, and the resulting network selectivity. The cases of foreign military assistance and military logistics serve to prove these assumptions. This chapter, while also affirming the first points, in particular sets out to identify the future trajectory of military services contracting.

The present chapter provides ample evidence in support of the contention that the USA and the UK are facing an ever-narrowing range of policy options, i.e. an increasingly strong network selectivity. The process manifests a selectivity due to which contracting will expand and increasingly become normalised as standard procedure. This comes at the expense of other potential options of generating and supplying military capability, and is representative of the further shrinking of the "core competencies" of the armed forces. This chapter draws on possibly the most relevant and thus representative area of military services contracting for the purpose of identifying the future of military outsourcing: support services, or military logistics broadly conceived. While it again reappraises the drivers, politics, and practice of outsourcing, this chapter thus addresses perhaps most comprehensively the last research question about the feedback effects and future trajectory of military services

contracting and its ramifications. It thereby completes the arc of the analysis that began with the background and context of military outsourcing, continued with its contemporary politics, practice, and likely trajectory, and now concludes with confirming the above.

The chapter proceeds as follows. First, it establishes the relevance of military logistics and support services to strategy, decision-making, and the policy process. Secondly, it surveys the drivers and practice of the very far-reaching contractorisation of military support that confirm the general findings above.

Having set the stage, it then provides detailed evidence for the claim that military services contracting in the USA and the UK is on a path not only towards 'more of the same' (i.e. stabilisation of the practice) but its deeper entrenchment. It conducts an in-depth survey of doctrinal, practical, and policy evolutions over the past decades and into the future that points towards the intentional and formal integration of public and private workforces in this area to demonstrate the reaffirmation and deeper entrenchment of the contextual driving forces identified earlier. Being one of the largest, most labour and money-intensive domains, and stretching back deep into history, logistics outsourcing sets standards. The identified drivers, actors, and trajectory are thus particularly representative of the long-term future of military services contracting in the USA and the UK.

Finally, the chapter discusses the trajectory's ramifications for the policy process. As in chapter V the key issues are closely tied to the increased mutual dependency between government and industry. They are operational security, assured capability, the recurring question of contractors' role in government decision-making, and the potential effects on the incentive structure of government officials.

VI. 1. Military Support Services and their Relevance to Strategy and Defence Policy-Making

Military logistics has been around for as long as there has been warfare.[734] William Tuttle, a retired U.S. Army General, postulates that it has two major components: the projection and sustainment of military force, that is the movement and supply of both soldiers and their equipment.[735] It is a critical component of warfighting because it directly determines the size and type of military force that can be deployed to an operational theatre, how long the deployment will take, and which tempo of operations can be sustained.[736] Martin van Creveld famously concluded not only that logistics is of equal importance as strategy, but that it is the ultimate determinant of strategic possibilities.[737] US joint doctrine on logistics includes engineering and maintenance services, underscoring its immediate ties to the defence-industrial base and the services industry.[738] Schulte thus calls logistics "the hinge between industry and war",[739] giving it prime strategic relevance. Kane thus finds that "logistics takes its place in strategy as an arbiter of opportunity."[740]

Support services are not only the backbone of strategy but also cover both the entire timeline of the policy process as well as the entire civilian and military hierarchy of operational planning and implementation. Kane therefore argues that "logisticians must participate in the making of strategy, not only in the planning phase of a campaign, but every step of the way."[741] Military logistics is a particularly fitting case study of military outsourcing given its direct links to industry and politics which

[734] Uttley and Kinsey, "Logistics in War", p. 402.
[735] William G. T. Tuttle (2005), *Defense Logistics for the 21st Century* (Annapolis, MD: Naval Institute), p. 1.
[736] Uttley and Kinsey, "Logistics in War", p. 402.
[737] Van Creveld, *Supplying War*, p. 1.
[738] U.S. Department of Defense, Joint Chiefs of Staff (2008), *Joint Publication 4-0: Joint Logistics*, chapter 1, pp. 10-11.
[739] Schulte, "Industry and War", p. 517.
[740] Thomas M. Kane (2001), *Military Logistics and Strategic Performance* (London; Portland, OR: Frank Cass), p. 10.
[741] Ibid, p. 5. See also Thorpe, *Pure Logistics*, p. 20, one of the first of the very few to write at length about military logistics.

provide for ample observations of direct and indirect effects on the policy process. Its sheer scope, and manpower and money intensity moreover suggest that the observations made here are representative of the broader phenomenon of military outsourcing, including and particularly its future trajectory.

VI. 2. The Drivers and Practice of Outsourcing Military Logistics

Contractors, especially in military logistics, have always been part of the defence enterprise.[742] They have been used as early as the U.S. War of Independence, or more recently in the Vietnam War.[743] The US military introduced the Civil Reserve Air Fleet in 1951 to use civilian airliners' planes in emergencies, for which the carriers in return are "given preference in carrying commercial peacetime cargo and passenger traffic for DOD."[744] It has in fact abolished its Military Air Transport Service in 1966 and the successor Military Airlift Command in 1992.[745] Nonetheless, despite being part of the defence enterprise for centuries at the very least, the contemporary degree, pace, comprehensiveness, and organisational formalisation, normalisation, and integration of the use of contractors differ qualitatively from the past.

Security contracting, especially the corporate type, is correctly seen to have expanded tremendously after the end of the Cold War. However, despite what the literature implies by centring its entire discussion of the spread of contractorisation

[742] All major works on the topic cover at least some aspects of the history of contract workers in war, cf. Kinsey, *Corporate Soldiers*, Singer, *Corporate Warriors*, Avant, *Market for Force*, and Krahmann, *States, Citizens*.
[743] Singer provides a survey of contractor services in past wars, see in particular Singer, *Corporate Warriors*, pp. 20–39.
[744] U.S. Department of Transportation, "Civil Reserve Airfleet Allocations," accessed 26 June 2013, available at http://www.dot.gov/mission/administrations/intelligence-security-emergency-response/civil-reserve-airfleet-allocations.
[745] U.S. Air Force Historical Research Agency, "Military Airlift Command," accessed 26 June 2013, available at http://www.afhra.af.mil/factsheets/factsheet.asp?id=12476.

more broadly on the outsourcing of security responsibilities,[746] private security does not represent the beginning of the phenomenon. Even though most studies acknowledge that especially logistics had been outsourced much earlier and is of prime strategic relevance, Singer for instance falsely claimed that the booming logistics sector was born after the post-Cold War downsizing.[747] While it is true that it grew most rapidly after 1990, chapter III in particular demonstrated that the foundations for logistics outsourcing were laid decades earlier, including the policy vehicles still being used today such as the Logistics Civil Augmentation Program. In fact, even at the height of the seemingly self-sufficient military of the Cold War, military support services were the most likely to be outsourced at least to a limited extent, long before such a move would have been contemplated regarding security. As was shown, contractorisation in the 1990s was the reaffirmation of processes that had begun decades earlier rather than the start of something new. Nonetheless, it should be noted that after the Cold War the contractorisation of logistics followed a similar logic as in the security domain. Most notably, the new uncertainty in the security environment, coupled with demands to cut defence budgets and the reiterated push to buy into the privatisation paradigm, created pressure to expand (not begin) and further formalise the practice that had rapidly accelerated throughout the 1980s in particular. The end of the Cold War thus exacerbated but did not create anew many of the driving forces that stretched back much further.

It is for this reason, i.e. because the practice of military outsourcing more generally is most closely associated with and historically goes back the furthest to the costs of the support end in the 1950s, that the drivers of logistics outsourcing were already covered in some detail in chapter III. Various US doctrine documents agree with the general characterisation of the drivers identified in chapters II and III, and

[746] See e.g. Singer, *Corporate Warriors*, pp. 49–60. Krahmann deliberately does not differentiate between military responsibilities that are outsourced, but focuses her civil-military argument on security contractors; see Krahmann, *States, Citizens*, p. 8.
[747] Singer, *Corporate Warriors*, p. 53.

use an almost identical formulation to describe the driving forces behind contractorisation. They however lack the cyclical element, that is the reinforcement of these drivers with every iteration of this mode of supplying force, and an appreciation for the fundamental role of broad strategic objectives. Joint Logistics doctrine for instance names as among the factors that have led to the increased reliance on private contractors in defence logistics the reduction of troop numbers especially in the tail end, increases in the number and tempo of military operations, increasing complexity and sophistication of equipment, and the imperative of creating efficiencies and economies precisely *by* outsourcing "commercially adaptable functions."[748] This last point underscores the centrality of ideas, of buying into core competency and various other 'best business practices'.[749] The following therefore focuses on providing additional nuances that are more specific to logistics and were therefore not discussed in chapter III.

VI. 2. i. Changing the Orientation from Threats to Capabilities

First, there is the strategic aspect to contractorisation. During the Cold War, Western governments maintained almost self-sufficient military supply chains because of the need to guarantee operational capability and a dependability of supplies. Using an alternative model was regarded as impossible because of the risk to collective Western security in the event of military failure.[750] While advocates of contractorisation would assert that the market is actually quicker and more efficient in responding to contingencies, the point here is that states were not ready to take the potential risks involved in outsourcing.

The end of the Cold War and the resulting absence of a known, long-term adversary engendered a change from a threat-based to a capabilities-based defence

[748] US DOD JCS, *JP 4-0: Joint Logistics*, chapter 2, p. 15.
[749] The role of ideology in driving contractorisation was covered in depth in Krahmann, *States, Citizens*.
[750] Kinsey, *Private Contractors and Iraq*, p. 97.

posture, with wars of choice against often ill-defined enemies replacing existential wars of survival in defence planning and practice.[751] Rapid and global power projection capabilities became essential especially to US military planning. As a thought leader in the field, former Director of Logistics (J4) at the Joint Chiefs of Staff Lt Gen. (ret) C. V. Christianson put it, "[gone] are the days when we had the time and resources to position large stores of assets in response to a stable, predictable threat."[752] Rather, the future operating environment would be defined by dispersion, complexity, and uncertainty.[753] Uncertainty became the central variable around which the military supply chain is organised,[754] and logistic capabilities more generally occupy the centre-stage of post-Cold War strategy and operations.[755] Creating a capabilities-based force reinforced some of these pressures and engendered new ones, especially in the field of knowhow, as is discussed next. The same applies to the noted practice of politically setting troop caps for deployments that led to reduced uniformed logistics components of deployed forces since they can politically (and often legally) be more readily replaced than combat and combat support forces.[756]

VI. 2. ii. New Capability Requirements and Resource Constraints

The broader range of potentially sudden military operations created a series of new sophisticated capability requirements. The logistics systems of the Cold War era were notoriously slow and cumbersome, not least because they did not have to be especially quick or flexible until the Cold War ended. The simultaneous pressures to reduce defence spending made the acquisition of new systems and capabilities

[751] Uttley and Kinsey, "Logistics in War", pp. 405–407,
[752] C.V Christianson (2006), "Joint Logistics in the Future," in *Joint Force Quarterly*, No. 41 (2nd Quarter), pp. 76–79, at p. 77
[753] C.V. Christianson (2012), "National Security and Global Logistics: Adapting to the Uncertainties of Tomorrow," in *Army Sustainment*, Vol. 44, No. 6, pp. 4–7, at pp. 5–6.
[754] Cf. Joseph M. Mrozinski (2010), "Aligning Metrics to Achieve Supply Chain Goals," in *Army Sustainment*, Vol. 42, No. 4, pp. 38, 39, 41.
[755] Mears and Kim, "Logistics: Way Ahead", pp. 40, 42.
[756] Cf. personal interview with Jeff Mason.

especially challenging, which may not have been pursued so swiftly without cutting off funding.[757] The Peace Dividend removed the funding, while the military bought into the Revolution in Military Logistics.

Central among the new required capabilities was sustaining rapidly deployed forces around the globe. This entailed moving away from large stocks of pre-positioned supplies and towards lower but much faster moving stocks. The key objective was "just-in-time logistics" in order to drastically reduce turnaround times, and the system to be implemented was "distribution-based logistics" (as opposed to supply-based logistics that operated off of high stockpiles). From the start, the acquisition of these capabilities intentionally involved the private sector. The main document of reference for buying into the RML – which was acknowledged by three successive U.S. Army Chiefs of Staff to be a prerequisite for any Revolution in Military Affairs –[758] was the *Joint Vision 2020*. It stated that the military "will work jointly and integrate with the civilian sector, where required, to take advantage of advanced business practices, commercial economies, and global networks."[759] The private sector was included by default mostly because, as the subordinated 1998 *Army Science and Technology Master Plan* put it, "the RML requires logistics to acquire a number of capabilities it currently does not have",[760] but which are to be found in the private sector, such as bar coding, GPS, and various inventory techniques.

This approach corresponds with the broader spirit at the time that was discussed in chapter III, in particular the valuation of private sector knowhow, the adoption of commercial practices, the suggestion by the CORM that the military

[757] As Maj. Gen. (ret) Jeff Mason put it, "you never really have change carried out properly unless you take the money away" which "forces people to make changes." Ibid.
[758] David A. Anderson and Dale L. Farrand (2007), "An Army Revolution in Military Logistics?" in *Army Logistician*, Vol. 39, No. 4, pp. 19–23, at p. 19. One of these was probably Dennis J. Reimer who wrote as much in 1999, see Dennis J. Reimer (1999), "The Revolution in Military Logistics," in *Army Logistician*, Vol. 31, No. 1, p. 2, at p. 2.
[759] U.S. Department of Defense, Joint Chiefs of Staff (1996), *Joint Vision 2010* (Washington, D.C.: Department of Defense), p. 24.
[760] U.S. Department of the Army, *Army Science and Technology Master Plan* (Washington, D.C.: Department of the Army), Annex G, Section B.

comprehensively outsource numerous logistics capabilities, and the accelerated shift of maintenance work to OEMs. These plans were supported among others by Business Executives for National Security, whose Paul Taibl wrote a report that is distributed by the military's Defense Technical Information Center (DTIC) and that argued for much more aggressive outsourcing and privatisation than was envisaged in the 1997 QDR.[761] The noted DSB task force report similarly recommended that the military "use contractor logistics support for new systems" and "discard [the] concept of 'core' logistics requirements" or at least revise them in such a manner "to allow reliable contractors to perform 'core' work."[762] As was suggested at the end of chapter III, the "core" continually shrinks under the current circumstances.

VI. 2. iii. Core Competency, Force Structure, and Manpower Issues

These strategic and technological changes and challenges directly affected the military force structure, reproducing manpower pressures that had existed before. On the one hand the serving armed forces had already gradually lost in-house logistic knowhow since the switch to an all-volunteer force and the expanding contractorisation of various support responsibilities since the 1980s. The introduction of entirely new technologies and processes in the 1990s could not be fully absorbed by the uniformed troops for want of capacity, and neither was this desired with the adoption of the core competency model. Moreover, with intellectual property rights remaining in the private sector, the growing flow of technologies, techniques, and processes from the civilian into the military sphere therefore included the personnel necessary to install the new systems, train the military in their use, and maintain them for decades to come. As three U.S. Army Generals wrote in

[761] Taibl, "Outsourcing & Privatization of Defense Infrastructure".
[762] US DOD DSB, "Report on Outsourcing and Privatization", pp. 53–59.

1999, the RML therefore "equates to strong partnership with industry".[763] With current contract spending on operations and maintenance in the USA exceeding those on new equipment ($150 billion and $100 billion annually, respectively),[764] their statement was proven right. In the UK, similarly, building on earlier efforts of close public-private cooperation,[765] "Through Life Capability Management" was introduced in 2006. It involves, in particular, the transfer of assets to industry and long-term partnerships that span the entire life-cycle of a system from research and development through production, operation, maintenance, training, and decommissioning.[766]

On the other hand, partly predating these technological developments, was an unintended consequence of the all-volunteer force that, combined with the loss of organic knowhow in the active forces, further drove contractorisation. Having to become active on the job market for recruitment, the military had to make attractive offers to potential recruits. Recruits now demanded higher quality services, especially when deployed on operations overseas. Illustrative thereof, Lt Gen. (ret) C. V. Christianson recounted that shortly after the invasion of Iraq in 2003, the Army "could not have [the troops] living off of food in a bag, we had to give them regular, healthy meals".[767] Thus, already in the early stages of the war, Army commanders on the ground were provided with almost anything they asked for, including "burgers

[763] General Jonnie E. Wilson, Lt Gen John G. Coburn, and Maj Gen David G. Brown (1999), "Our Revolution in Military Logistics: Supporting the 21st Century Soldier," in *Army Logistician*, Vol. 31, No. 1, pp. 3–6, at p. 5.
[764] Sandra I. Erwin (2012), "Defense Industry Targets $150B Weapons Maintenance Market," in *National Defense Magazine* (July 2012), accessed 3 December 2012, available at http://www.nationaldefensemagazine.org/archive/2012/July/Pages/DefenseIndustryTargets$150BWeaponsMaintenanceMarket.aspx.
[765] On the wide-reaching public-private partnerships and the Private Finance Initiative in the UK, see especially Krahmann, *States, Citizens*, pp. 86–102.
[766] UK Ministry of Defence (2010), *The Defence Strategy for Acquisition Reform* (London: The Stationery Office), pp. 15–16.
[767] Personal interview with Lt Gen. (ret) Chris "Claude" Christianson and Col (ret) George Topic. Former Director of Logistics, J4, on the Joint Staff, now Director of the Center for Joint and Strategic Logistics; and Deputy Director for Outreach and Strategy at the Center for Joint and Strategic Logistics, respectively. National Defense University, Fort McNair, Washington, D.C. (26 April 2012).

and ice cream and Xboxes".[768] As the remaining in-house knowhow on feeding the troops was very basic, further outsourcing was inevitable to satisfy these demands. The New Employment Model in the UK that seeks to ensure the military profession remains attractive and that is discussed in more detail below, shows that the same dilemma applies in the UK.[769]

Finally, in addition to the core competency model that already shrank the uniformed logistic component, and the increased technological sophistication of equipment and other systems that necessitated the growing use of contractors, there is a political driving force to reduce especially the uniformed support end of a deployed force. The use of contractors can further lower the number of deployed uniformed troops, and because contractors do not appear in official counts of deployed total forces (or in casualty counts), replacing a regular soldier with a contractor source can fulfil the political objective of making a military operation appear smaller than it is. A former U.S. Army logistics instructor confirms as much, writing that "one way to circumvent limitations on military personnel is to use civilian contractors."[770] Moreover, as the U.S. General Accounting Office acknowledges in a report on LOGCAP, even when outsourcing was a choice of last resort "Army officials stated that it is often necessary to use LOGCAP ... because of planning considerations such as ... the political sensitivity of activating guard and reserve forces ... and the desire to maintain a relatively low U.S. presence."[771] Former ACDS (LogOps) Jeff Mason confirms that the same is true in the UK,[772] where the problem is politically exacerbated because the planning commences with troop counts rather than, for

[768] Smith, *War for Profit*, p. 26.
[769] Cf. UK Ministry of Defence, "New Employment Model: Detailed Guidance," in *Gov.uk*, accessed 14 March 2014, available at https://www.gov.uk/new-employment-model.
[770] Peter J. Higgins (2003), "Civilian Augmentation of Joint Operations," in *Army Logistician*, Vol. 35, No. 1, pp. 14–15, at p. 14.
[771] U.S. General Accounting Office (1997), *Contingency Operations: Opportunities to Improve the Logistics Civil Augmentation Program*, GAO/NSIAD-97-63 (Washington, D.C.: General Accounting Office), p. 6.
[772] Personal interview with Jeff Mason.

instance, the number of helicopters that need to be deployed to reach an objective and then deploy the required number of troops to operate the kit. As a result, reconciling manpower caps with required capability means that the military is pressed to outsource capabilities in order to satisfy both demands.[773]

In summary, the above again confirms the interlinked nature of strategy, technology, and manpower in driving contractorisation in general, and underscores the trailblazing role of military logistics within military outsourcing more generally. The following briefly surveys three key areas in which these factors substantially drove outsourcing.

VI. 2. iv. The Practice and Expanding Scope of Contractor Logistics

Outsourced military support covers a wide range of services. Taylor offers a useful typology of the types of services provided by contractors overseas: transport into theatres of operations, maintaining capability within theatres of operations by supporting both people and equipment, using military capability (e.g. intelligence, interpreting, operating equipment such as drones, or interrogation), and conducting reconstruction operations (including security sector reform, static security provision).[774] Figure 6 below is a simplified, amended version of Taylor's classification, additionally containing the planning function but removing the reconstruction function.

[773] Personal interview with Jeff Mason and David Wiggins.
[774] Trevor Taylor (2011), "Review Article: Private Security Companies in Iraq and Beyond," in *International Affairs*, Vol. 87, No. 2, pp. 445–456, at p. 447-448.

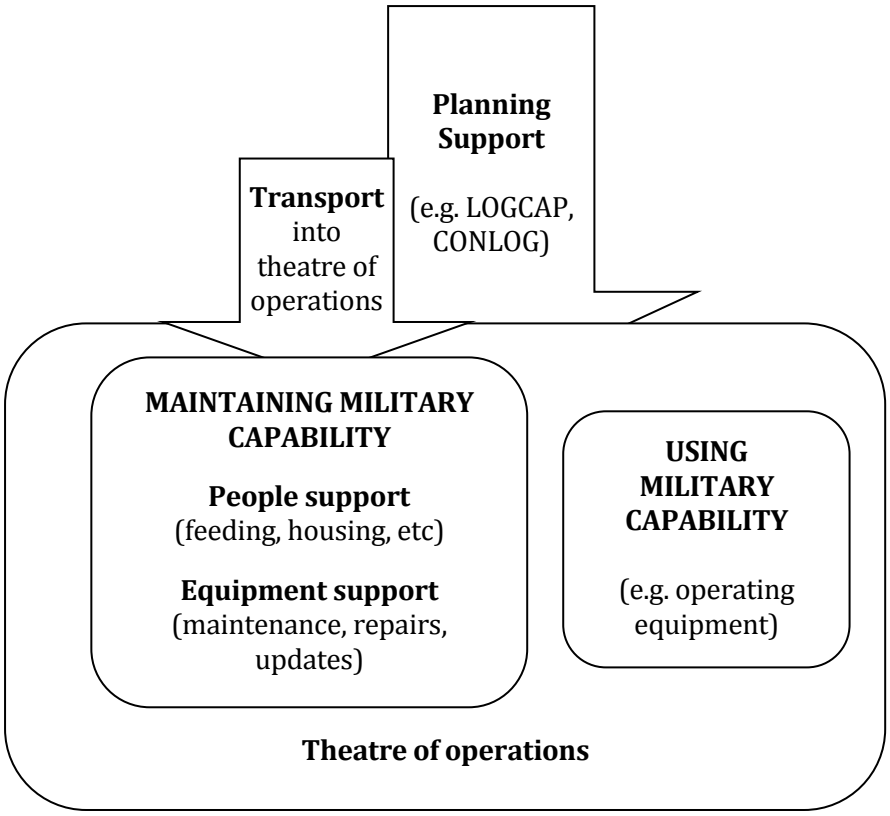

Figure 6: Typology of Contractor Support Roles in Overseas Military Operations

The following surveys key areas that have undergone the most extensive contractorisation: planning and management, basic people support, maintenance, and transportation. These three areas cover all logistics-relevant types of tasks undertaken by private contractors in overseas theatres of operation as identified by Taylor, and are therefore appropriate for the purposes of wider generalisation.[775] This survey highlights the dependency of the US and UK militaries on contractor support and provides the basis for the examination of the trajectory of logistics contracting in particular and military services contracting more generally.

Planning and Management Services: LOGCAP and CONLOG/OCSS

The U.S. Army's Logistics Civil Augmentation Program mostly covers fairly mundane tasks which are of no interest to the literature on the "privatisation of

[775] Ibid.

security". More importantly, it marked the beginning of the U.S. Army's shift to a distribution-based combat service support system,[776] directly tying it to the RML and the future of logistics outsourcing. Introduced through legislation (Army Regulation 700-137) in 1985, "LOGCAP is aimed at providing another support alternative by capitalizing on the civilian sector in [the continental USA] and overseas locations."[777] LOGCAP includes preplanning for the use of civilian contractors in wartime to augment regular troops who are thereby released to conduct other missions. The legislation explicitly suggests converting existing uniformed logistics units to fulfil other duties,[778] effectively transferring these responsibilities to the market.

Within a short time, LOGCAP's scope expanded considerably. First, LOGCAP was intended "to provide basic life, facilities and [logistics operations centre] support until other force support capabilities arrived or could be arranged".[779] However, it almost immediately became the standard mode of supplying Army troops in theatre rather than remain true to its name and be an 'augmentation' program.[780] Secondly, its third iteration applied a considerably broader definition of "contingency" that described any operation deemed to be in the national interest. LOGCAP thus became the "contract of choice" in the war on terror after 9/11, and was furthermore extended to a period of up to ten years to reduce the costs of competition.[781] Thirdly, LOGCAP contractors were so "adept at integrating [their] staff into the [military] commander's staff" while replacing almost all organic capability, that Army commanders in Iraq would say that they "needed more KBR" when speaking of

[776] Donald P. Wright and Timothy R. Reese (2008), *On Point II: the United States Army in Operation Iraqi Freedom, May 2003-January 2005. Transition to the New Campaign* (Fort Leavenworth: Combat Studies Institute Press), p. 493.
[777] US Army, *Army Regulation: LOGCAP*, p. 2. For a concise summary of LOGCAP see Kinsey, *Private Contractors and Iraq*, pp. 76–79.
[778] US Army, *Army Regulation: LOGCAP*, p. 1.
[779] Smith, *War for Profit*, p. 34.
[780] Ibid, pp. 34–36.
[781] Ibid, pp. 13-15, 40-41.

logistics services.[782] Overall, therefore, rather than augment force structure the Army thus got rid of force structure to the point of being unable to operate without LOGCAP. As a result, the U.S. Army is "wedded to LOGCAP now unless you want to go back and reinstitute the organic support that you pretty much jettisoned."[783]

The UK emulated LOGCAP and introduced its own umbrella contract Contractor Logistics which unlike LOGCAP serves all three Armed Services.[784] KBR, who also held several iterations of LOGCAP in the USA, has held CONLOG since 2004 and its successor contract Operational Support Capability Contract since 2012.[785] The contract provides a planning team that is embedded at the UK military's Permanent Joint Head Quarters, and provides reach-back planning and task execution capability to the Armed Forces in various operational theatres, excluding security and courier services.[786]

Maintenance and Contractor Logistics Support

As noted, OEMs reoriented some of their efforts to secure maintenance work in the 1990s. By retaining the technical data on new systems they all but ensured that they had the best chances of winning support contracts.[787] An early example was the U.S. Army's Rapid Response to Critical Systems Requirements Program for $5.4 billion from 1998 until 2003 for services to rapidly activate and sustain older weapon and

[782] Ibid, p. 36 and telephone interview with Charles Smith.
[783] Telephone interview with Charles M. Smith.
[784] Christopher Kinsey (2009), *The Transformation of War: the Rise of Private Contractors*, The Emirates Occasional Papers, Vol. 72 (Abu Dhabi: The Emirates Center for Strategic Studies and Research), p. 32.
[785] KBR, "CONLOG," accessed 29 June 2013, available at http://www.kbr.com/Projects/CONLOG/CONLOG.pdf, and
Chuter, "UK Taps KBR".
[786] KBR (2008), "Third Party Logistic Support (TPLS)", Presentation by Herbert C Abela, MBE, copy of the author.
[787] Personal correspondence with Frank Camm.

communication systems, including overseas. Its successor expanded its scope to include research and development and no longer focus only on critical systems.[788]

Longer-term contracts that epitomise the government's (often deliberate) dependency on industry's knowhow are the various "contractor logistics support" (CLS) arrangements. For instance, the U.S. Special Operations Command awarded Lockheed Martin a contract in 2009 for nine years worth up to $5 billion for worldwide CLS services (aircraft, vehicle and equipment maintenance, critical infrastructure support, and business process transformation).[789] The UK has pursued such arrangements as standard procedure for years before the USA.[790] This grew possibly out of the much stronger budgetary pressures that forced the government to relinquish control over logistics, and the UK's stronger willingness to mutually depend on other actors. The model with maximum contractor involvement, "Contracting for Capability", sees a prime contractor providing a total support package.[791] This model is on the increase because it makes budgeting easier for the MOD in a difficult budgetary environment, as it enables the military to access capability without making high down payments but rather spend limited amounts over long periods of time, often decades. For instance, the Royal Air Force is expected to lease new strategic tanker aircraft over periods extending to 27 years.[792] UK doctrine acknowledges approvingly that such arrangements further increase the "interface and dependency between commercial supply chains and the Joint Support Chain (JSC) as Defence contractors seek to optimise" their processes "from 'factory to

[788] Frank Camm, Irv Blickstein, and Jose Venzor (2004), *Recent Large Service Acquisitions in the Department of Defense: Lessons for the Office of the Secretary of Defense* (Santa Monica, CA et al.: RAND Corporation), pp. 16, 163, 164, 168.
[789] U.S. Department of Defense, Office of the Assistant Secretary of Defense (Public Affairs) (2010), "Contracts for June 21, 2010," 21 June 2010 (Arlington, VA), Press Release No. 509-10, accessed 30 June 2013, available at http://www.defense.gov/contracts/contract.aspx?contractid=4306.
[790] UK MOD, *Defence Acquisition*.
[791] UK Ministry of Defence (2012), *JSP 886 - Defence Logistics Support Chain Manual: Vol. 3, Part 2: Contractor Logistic Support* (Bristol: UK Ministry of Defence), p. 8.
[792] Royal Air Force, "Future Strategic Tanker Aircraft," accessed 30 June 2013, available at http://www.raf.mod.uk/equipment/futurestrategictankeraircraft.cfm.

foxhole'."[793] In other words, the mutual dependency of government on industry's capabilities and of industry on government contracts grows.

While there is evidently an expansion of maintenance support in both countries, the aforementioned 50-50 rule in the USA represents a statutory obstacle to a much more comprehensive level of maintenance outsourcing. During the height of military operations the military depots that remained after the reductions of the military in the 1990s ran at near-capacity, prompting renewed calls to reform Section 2464 of Title 10 of the U.S. Code that contains the rule.[794] That said, half of existing maintenance work does go to the private sector, and the trajectory – discussed in more detail below – certainly does not aim at an increase of the military's own share of the work, but rather towards its reduction. Even with the 50-50 rule remaining formally in place, DOD in the FY2002 and FY2003 NDAAs introduced exceptions to this rule that were made permanent in the FY2007 NDAA and that aim at enabling partnerships – such as PBL – to occur in depots without being subject to the 50-50 rule.[795]

Transportation

The reduction of the defence transport infrastructure has long been ongoing, leading to government dependency on private transport capabilities and capacities. As noted, the US military abolished its air transport service in 1966 and its successor airlift command in 1992, and is banking on a civilian air fleet and similar sealift arrangements. The UK has similarly scaled back its domestic infrastructure as well as

[793] UK MOD, *JSP 886: CLS*, p. 8.
[794] See Steffes, "Maintenance Depots."
[795] U.S. Department of Defense, Office of the Assistant Secretary of Defense (Logistics & Materiel Readiness), "Title 10 Requirements (50/50 Partnering)", accessed 10 December 2014, available at http://www.acq.osd.mil/log/mr/5050_partnering.html.

global transportation capabilities for decades as well as reduced its naval surface fleet drastically since the 1980s.[796]

Beyond tapping into existing civilian transportation infrastructure and supply chains, both militaries also operate dedicated contracts with civilian transport providers, including logistics giant DHL. In the USA, DHL primarily runs the military's postal services, while in the UK "DHL moves anything that needs to be moved internationally for MOD that is not moving or cannot be moved on a military vehicle (e.g. RAF plane or a naval vessel), except into live theatre."[797] Most DHL services for the UK are in support of training exercises or the resupply of permanent bases overseas. DHL's global forwarding division has held such contracts with the DOD and MOD for up to 25 years, which entails using DHL freight capacities for the movement of items.[798] DHL is embedded at PJHQ. There, it sits within the Defence Supply Chain Operation and Movements department.[799]

Contractor transportation services are also highly relevant for battlefield logistics and more widely within areas of operation. Retrograde operations of the US military in Afghanistan relied extensively on industry, where a few uniformed logisticians "[oversaw] a small army of civilian contractors".[800] The US military has signed numerous short-term contracts in support of retrograde from Afghanistan,

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[796] Cf. Baylis, "Evolution of British Defence Policy" and Freedman, *Politics of British Defence* for views on the surface fleet issue that dates back to the 1960s and the withdrawal from East of Suez. The UK among others used civilian cruise liners in the Falklands War.

On reforming the domestic UK defence estate, see e.g. John Gearson, Robert Dover, and Jack McDonald, et al. (2011), "The HERO Review: Harnessing Efficiencies, Rethinking Outcomes. The Future of the Defence Estate", An Independent Report by the Centre for Defence Studies, King's College London, Commissioned by Morgan Sindall Group plc (London), accessed 16 March 2014, available at http://construction.morgansindall.com/assets/m/s/ms3370_hero_kcl-final.pdf.

[797] Telephone interview with Paul Glanville.

[798] Ibid.

[799] Ibid.

[800] Nate Rawlings (2013), "Retrograde Lessons: Learning from Afghanistan's Logistical Nightmare," in *Time.com* (05 February 2013), accessed 2 July 2013, available at http://world.time.com/2013/02/05/retrograde-lessons-learning-from-afghanistans-logistical-nightmare/.

some lasting as little as six months.[801] The military supply chain into theatres of operation, in other words, has become closely integrated into the globalised supply chains of the private sector, underscoring the dependency of government on the private sector for the supply and sustainment of military operations.

VI. 3. The Trajectory of Contractorising Military Support (and of Military Services Contracting Writ Large)

The cited logistics contracts provide pointers as to the direction of travel of military services contracting. LOGCAP, for instance, underwent a type of mission-creep-development that turned an initially *ad hoc* activity into a standard procedure that was also true of contracting more generally. Beginning in the 1980s as an often *ad hoc*, stopgap measure, it has since become widespread and normalised, with the US and UK governments depending on contractors (and often vice versa). The following traces this trajectory beyond the status quo into the future. It provides supporting evidence for the assertion that contractorisation becomes further entrenched due to network selectivity and as long as there are no shocks to the system and process. The further deepening of the pubic-private relationship can be divided into three stages and aspects: 1) formalisation of outsourcing in policy, law, and doctrine, that led 2) to the public-private integration of capabilities, workforces, and processes, and that 3) is accompanied by the continued transfer of knowledge and assets out of the military. Defence is becoming a public-private enterprise, in line with Christianson's observation that "a 21st-century organization does not have to 'own' all of the assets" it needs to deliver desired outcomes.[802]

[801] Honeywell won several bids, as did other companies, totalling several hundred million US dollars. See, for instance, contract announcements for 28 May 2009, 09 March 2011, and 08 February 2013 at U.S. Department of Defense, "Contracts," accessed 5 August 2014, available at http://www.defense.gov/contracts/.

[802] C.V Christianson (2012), "Global Dispersion, Global Sustainment: a Mandate for a Global Logistics Organization?" in *Joint Force Quarterly*, No. 65, pp. 44–47, at p. 45.

VI. 3. i. Formalisation

The UK: from Contractors on Deployed Operations to the Total Support Force

After years of utilising contractors on deployed operations without a specific policy in place to govern such deployments, the UK introduced the Contractors on Deployed Operations policy. CONDO "is a concept of utilizing contractors within operational areas to support and augment the capability of the UK's Armed Forces as part of the civilian component of the military force." As a guiding principle, CONDO "should be attractive for the contractor whilst demonstrating value for money for the MOD."[803] CONDO deployments, for whom responsibility mostly lies with PJHQ, ACDS (LogOps), and the Front Line Commanders, could be both pre-planned to meet routine demands or in response to urgent requirements in ongoing operations.[804]

Underscoring the gradual move from *ad hoc* stopgap contracting to the increased standardisation of the practice, CONDO policy states "that the early involvement of the Contractor in the planning process is key to the successful deployment of the Contractor" in order to be able to respond quickly to "any existing or likely future needs."[805] And yet, even in 2011, the military and civilian leaderships in operational planning did not include contractors sufficiently, if at all, in the early planning stages.[806] CONDO's initial acceptance had remained more of an intent than a followed practice.

During the course of the wars in Afghanistan and Iraq, the scope of responsibilities held by contractors under CONDO expanded rapidly, resulting in the new term Contractor Support to Operations (CSO). CSO unites support in logistics, combat support, equipment, infrastructure, and personnel services, including CONDO, CLS, CONLOG, and Sponsored Reserve contracts.[807] To identify the requirements of

[803] UK MOD, "INTERIM Defence Standard 05-129", p. iv.
[804] Ibid, pp. 1, 2, 4, 9.
[805] Ibid.
[806] Personal interview with Jeff Mason.
[807] UK MOD, *JSP 886: Joint Supply Chain*, pp. 4–5.

future deployed forces, then-ACDS (LogOps) Maj. Gen. (ret) Jeff Mason initiated the formation of a Tiger Team composed of government and industry officials.[808]

The Tiger Team departed from the interpretation that the Armed Forces cannot address the future requirements on their own using only uniformed personnel. This is noteworthy insofar as the military is seen to have been culturally strongly opposed to outsourcing.[809] As Mason points out, the British experience in Afghanistan in particular, despite not being an exemplar for future wars, had clarified the need for more contractor involvement in the UK since "the capabilities that were being provided by contractors could never be replicated by the military."[810] The Tiger Team Report (TTR) found accordingly that CSO was "no longer confined to logistic support" and that contractors represented up to 40% of the overall UK force in Afghanistan, and criticised that contracting had remained often *ad hoc* despite the dependence and scope.[811] The team thus recommended a formalised, close integration of contractor and regular forces into an overarching "Total Support Force" which combines military, civilian, and CSO components as well as external support elements from other government agencies, countries, NGOs, and other actors. It seeks to foster a "one team – one fight" approach.[812]

Having been launched around the same time that another group within the MOD developed a new Whole Force Concept (WFC),[813] the TTR ended up not as a standalone report but became an integral component of the comprehensive reorganisation of the UK military, as is discussed below.

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[808] UK Ministry of Defence (2010), *Contractor Support to Operations*, Tiger Team Final Report, p. 4. The following is also based on a personal interview with Jeff Mason.

[809] This was a recurring theme confirmed by both high-ranking civilian and military personnel in numerous interviews, including personal interview with Jacques Gansler, personal interview (2011) with Maj. Gen. (ret) David Shouesmith. Former ACDS (LogOps) and a former Vice President at PwC. PwC Offices, London (28 October 2011), and personal interview with Jeff Mason.

The written record also notes this opposition, including Gansler, *Democracy's Arsenal*, p. 45, and Tuttle, *Defense Logistics 21st Century*, p. 15.

[810] Personal interview with Jeff Mason.

[811] UK MOD, *TTR*, p. 4.

[812] Ibid, pp. 5, 12.

[813] Personal interview with Jeff Mason.

The USA: Contractors in Policy and Doctrine – the "Total Force" and Beyond

The doctrinal and strategic accommodation of contractors has long remained inconsistent in the USA. On the doctrinal level, joint doctrine in 2008 included contractors in its definition of the joint logistician.[814] The U.S. Army's field manual 4-0 on sustainment from 2009 however merely mentions the industrial base without acknowledging its centrality, stating that "[deployed] U.S. forces rely increasingly on contracting to supplement organic sustainment capabilities and on contractors to perform a growing percentage of many sustainment functions. … Commanders should *also consider* contracting and host nation support options as *possible* sources of support" (emphasis added).[815] Similarly, joint doctrine states that "theatre support contractors *assist* deployed engineer forces".[816] These formulations suggest that the military still had a choice whether or not to draw on industry or that this was done *ad hoc* on a needs-basis whereas by that time it was already dependent on it. In fact, by 2009 contractors matched and partly exceeded the number of regular troops deployed to Iraq and Afghanistan, almost matched their numbers in the entire CENTCOM area, and in their majority provided the armed forces with sustainment services.[817] The formulations were thus highly out-of-date. The same holds true even for Army Regulation 715-9 on Operational Contract Support, the successor to the LOGCAP regulation. It states that, in essence, contractor support should be a last resort option to "be utilized after full consideration of all sources of support, to include organic Army resources, deployable Army civilians, other Services, multinational, and host nation support agreements."[818]

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[814] US DOD JCS, *JP 4-0: Joint Logistics*, chapter 1, p, 2.
[815] U.S. Army (2009), *FM 4-0: Sustainment* (Washington, D.C.: Department of the Army), p. ix; chapter 1, p. 5; chapter 2, pp. 4 and 6.
[816] US DOD JCS, *JP 4-0: Joint Logistics*, chapter 2, p. 13.
[817] Moshe Schwartz and Joyprada Swain (2011), "Department of Defense Contractors in Afghanistan and Iraq: Background and Analysis," in *Congressional Research Service*, No. R40764, at pp. 7, 10, 13, 15, 24.
[818] U.S. Army, Headquarters (2011), *Operational Contract Support Planning and Management. Army Regulation 715-9* (Washington, D.C.: Department of the Army), pp. 5–6.

US doctrine and policy have not yet completed the step of formalising the integration of contractors into the force structure to the extent that the TSF does in the UK. Nonetheless, the acknowledgment of the centrality of contractor support is considerably more advanced on the US policy than the military level. The 2006 QDR included a statement that should have provoked more debate than it did, and which scholarship has been slow to pick up on. It defined the "Total Force" – which "constitutes its warfighting capability and capacity" – as comprising the DOD's "active and reserve military components, its civil servants, and its contractors".[819] More recently, the FY2013 NDAA included several line items that had been suggested by Senator Claire McCaskill who had been highly active for many years on contractorisation, in particular in the context of the Commission on Wartime Contracting.[820] Section 843 of the FY2013 NDAA mandated DOD to publish guidance clarifying authority and responsibility regarding operational contract support by 2014. Among the issues to be covered is assessing "total force data in support of Department force planning scenarios, including the appropriateness of and necessity for the use of contractors for identified functions".[821] Title 10 of the U.S. Code, which provides the legal basis for the US military and the DOD's roles, missions, and organisation, was amended to mandate the measurement of capability now and for

[819] US DOD, *2006 QDR*, p. 75.

Interestingly, in a book on the US military profession in the 21st century, Sarkesian and Connor do not mention outsourcing at all but focus considerable attention on the inclusion of the National Guard in the Total Force. See Sam Charles Sarkesian and Robert E. Connor (2006), *U.S. Military Profession in the Twenty-First Century*, 2nd edn, (London: Routledge).

Meanwhile, Segal and De Angelis ask whether contractors are members of the same professional community as uniformed troops. See David R. Segal and Karin De Angelis (2009), "Changing Conceptions of the Military as a Profession," in *American Civil-Military Relations: The Soldier and the State in a New Era*, eds Suzanne C. Nielsen and Don M. Snider (Baltimore, MD: Johns Hopkins University Press), pp. 194–212, at p. 212.

[820] For McCaskill's suggestions for the NDAA, see U.S. Congress, 112th Senate (2012), *Comprehensive Contingency Contracting Reform Act of 2012 (Introduced Version): S. 3286*.

[821] U.S. Congress (2013), *National Defense Authorization Act for Fiscal Year 2013: H.R. 4310*, Section 843.

future military operations, and – more importantly – for the inclusion of contingency contracting in the military educational curriculum.[822]

By firmly establishing contractor support to military operations in the early planning stages, military education, and management processes, contractor logistics will no longer be treated as a potential, *ad hoc* option but as a standard practice. It has become further entrenched over the course of the post-9/11 wars, and the translation into standard procedures, education, and doctrine strongly suggests that this should stabilise the practice for the longer term. The likely creation of a U.S. Office of Contingency Operations (USOCO) epitomises the long-term formalisation of overseas contracting as it places contractors squarely in the minds of military planners.[823]

VI. 3. ii. Integration

The formalisation of contractor support to deployed operations is a significant process in and of itself as it normalises the practice politically, organisationally, and financially. Mere formalisation is however not the most advanced form of contractorisation as it alone does not necessitate the use of contractors in operations but merely offers the vehicles required to outsource if intended. The next step that is being taken in both states – more forcefully in the UK – is putting the increasing integration of public and private manpower into practice by creating a joint public-private workforce for the long term.

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[822] Ibid, Section 845.

[823] Following the number one recommendation of the final report of the Special Inspector General for Iraq Reconstruction, the Representatives Steve Stockman and Peter Welch introduced resolution 2606 on 28 June 2013, which was entitled the "Stabilization and Reconstruction Integration Act of 2013" which would create the USOCO. See U.S. Congress, House of Representatives (2013), *To Establish the United States Office for Contingency Operations, and for Other Purposes (Introduced Version): H.R. 2606*.

Cf. also U.S. Department of Defense, Special Inspector General for Iraq Reconstruction (2013), *Learning from Iraq: a Final Report from the Special Inspector General for Iraq Reconstruction* (N.A.).

The Special Inspector General for Iraq Reconstruction also wrote a chapter that touches on USOCO, see Stuart W. Bowen, Jr. (2012), "Reforming the US Approach to Stabilization and Reconstruction Operations," in *Contractors and War: the Transformation of US Expeditionary Operations*, eds Christopher Kinsey and Malcolm Hugh Patterson (Stanford, CA: Stanford University Press), pp. 255–277, at pp. 271–273.

The UK: Realising the TSF – Integrating Industry and Military in New Employment Structures, Processes, and through Collective Training

The realisation of the TSF is a strong manifestation of the deep involvement of industry in force structure policy and planning. As the 2012 White Paper put it, industry is working with the MOD to develop and realise the TSF to create a "*fully integrated* and sustainable military (Regular and Reserve), Civil Service, and contractor support force". Work had "begun and continued industry involvement is being facilitated through dedicated [CSO] working groups."[824]

DHL's Paul Glanville described an example of such industry input into the design and realisation of the TSF. He suggested picturing the relationship between industry and the military as "a bit like a slinky."[825] Initially, the TSF had seemed to concentrate mostly on how to get contractors out on deployed operations, how to be able to rely on doing so, and how to increase this practice. At the same time, military planners had neglected the other side of the "spring" or "slinky". Drawing on the DHL-operated airport in Brize Norton as the centre of the spring, Glanville described that when, for instance, aircraft handling personnel is deployed forward, that can create a vacuum at Brize Norton, leading Glanville to suggest to the MOD to think about how to pull in manpower from the private sector to allow such deployments, and reversely to facilitate those same people moving out into industry when not deployed on operations.[826] His suggestion appears to have resonated well within the MOD, as a discussion organised by ADS in summer 2013 centred around the notion of "putting surplus resources out into industry as well as pulling from industry", the first time Glanville – who attended many workshops and events around the TSF – heard that conception being discussed in a wider circle.[827]

[824] UK MOD, *Technology White Paper*, p. 23, emphasis added.
[825] Telephone interview with Paul Glanville.
[826] Ibid.
[827] Ibid.

In addition to such solicited input from industry into government, another industry source discussed at length how the business development division of one of the largest service contractors routinely sends unsolicited studies and concepts to the MOD. This occurs on all levels and concerns topics related to the TSF, logistics contracting more generally, and the "New Employment Model" for the armed forces.[828] Regardless of government's openness to such input, industry takes every opportunity to try and inform such decision-making today and the thinking about contracting well into the future. This confirms both the earlier assertions made by the MOD's Mr Hamber in chapter IV as well as the general finding that industry contributes to a narrowing selectivity of the 'thinkable' items that make it onto the agenda to comprise those that generally expand industry's role.

These are but two examples of the close coordination between industry and MOD in the design of the future military force structure and the management and operating procedures of the defence enterprise. As Gordon Lane of ADS put it, the relationship between the trade group, ACDS (LogOps), and PJHQ is "one of the best examples of close industry-MOD cooperation."[829] ADS and its forerunner organisations have long been closely involved in CSO and its predecessor policies. There exists a series of steering groups that began working on CONDO, then CSO, and now the TSF for over a decade as of 2014. These joint MOD-industry groups, facilitated by ADS, are co-chaired by an industry representative through ADS and by ACDS (LogOps) at various working levels, mostly include only companies that were involved in delivering CSO in the past, and are accessible by invitation only. The government has been very forward-leaning in identifying those "enabling capabilities" that need not be executed by soldiers in uniform and asks industry to propose and identify areas where it would be able to deliver a required capability.[830]

[828] Personal interviews with senior and mid-level UK industry sources.
[829] Personal interview with Gordon Lane.
[830] Ibid.

This "close cooperation has helped make a real difference", with industry suggesting services that it can deliver beyond what it has done in the past. Lane's description of the process is confirmed by the MOD's Mr Hamber who is himself in charge of parts of CONDO policy and is closely involved in the realisation of the TSF. According to him, the main way to receive the necessary input are industry open days, while chapter IV described the nature of these daily interactions across issues and levels in MOD.[831]

In addition to the above, the realisation of the TSF also includes the tackling of an issue that has long been identified as a problem of increasing public-private cooperation and trust. Joint training is generally considered to build bonds and trust, as well as familiarity with each other's operating procedures. A lack of military education on the risks and benefits of outsourcing, despite contractors being embedded in PJHQ, was cited as one reason among many for the problems of outsourcing practice, including the lacking inclusion of contractors in operational planning.[832] Shouesmith accordingly found that contractors must be better integrated into military doctrine, training, and planning,[833] and the TTR recommended as much by suggesting both an MOD-internal training drive to increase awareness about CSO as well as regular joint peacetime and pre-deployment training of contractors and MOD.[834] UK doctrine on the support network, affirming this realisation, stresses the importance of collective training,[835] and the recognition among uniformed logisticians and Quartermasters that they are no longer the owners and managers of inventory but rather its custodians.[836]

[831] Telephone interview with Richard Hamber.
[832] Personal interview with Jeff Mason.
[833] Personal interview (2011) with David Shouesmith.
[834] UK MOD, *TTR*, p. 31.
[835] UK Ministry of Defence, Assistant Chief of Defence Staff (Log Ops) (2010), *Support Network* (Shrivenham: UK Ministry of Defence, the Development, Concepts and Doctrine Centre), chapter 4, p. 2.
[836] Ibid, p. x. The same applies to the USA, cf. Christianson, "Global Logistics Organization", p. 45.

In addition to training, the "New Employment Model" also finally followed a recommendation that dates back to the Fulton Report from the 1960s – a regularised revolving door between the public and private sectors. The model, aiming to increase the attractiveness of public sector jobs, seeks to facilitate the transfer of employees between both sectors.[837]

The TSF and its realisation are illustrative of the aforementioned view that is becoming increasingly widely accepted in the UK government: government is to discharge its micro-managing decider role and focus on what it wants rather than how that is delivered. This includes accepting that it will no longer own all assets and processes or continually retain the same workforce.

The USA and the UK: Reserves as Troops vs. Reserves as Quasi-Contractors

An integral part of the TSF is the role assigned to reserve forces, especially the "Sponsored Reserves" (SR), while the Reserves in the USA may also experience a reappraisal of their role in overall defence planning. In both cases the aim is a more efficient and balanced use of available manpower, including contractors, especially to avoid some of the sensitivities involved in sending contractors to warzones. But while the SR concept in the UK incorporates much of the contractual thinking that defines military outsourcing, and SRs are planned for in conjunction with contractors who remain the preferred option of the UK government, reserve forces in the USA are planned for in a manner that suggests if not a turn away from contractors at least a slight rebalancing in favour of traditional manpower.

In the UK, a key concern is ensuring that capability is only "in uniform" when it needs to be, and that it is delivered by a supposedly cheaper contract source whenever possible.[838] The SR must be seen in this context. They are defined as "members of a civilian workforce who are required to join the volunteer or ex-regular

[837] Cf. UK MOD, "New Employment Model".
[838] Personal interview with Gordon Lane.

reserves as a condition of a contract, which their civilian employer has entered into with the MOD to provide a capability under normal conditions as well as on operations."[839] Confirming their role in the integration of public and private workforces and the close coordination between government and industry, the SRs "are an established element of the Whole Force which have supported UK operations at home and abroad ... through a commercial contract."[840] Being in uniform when deployed as SRs, their use mitigates many accountability problems that have dominated much of the debate on military outsourcing; normally being employees of the private sector, SRs can moreover often stay in an operational area when the situation has quieted down and 'change from their uniform into a suit' and continue doing the same work for a company under contract with the UK military.[841] The SR is thus designed and integrated entirely around the contracting paradigm.

Until 2010, the USA, in stark contrast to the UK, had planned for its Reserves only in a very generic manner.[842] This changed with a comprehensive DOD review published in April 2011 that, if implemented over the coming years, will significantly overhaul US Reserves policy.[843] Similar to the broader "strategic workforce program" mentioned in chapter IV, it recommends that the US military plan for a more creative use of active, reserve, civilian, *and* contractor components in order to better balance the force and avoid repeated overstretch. It explicitly views the use of reservists as a potential counterweight to contractors.[844] The Army began putting at least some of these recommendations into practice, focusing on the sustainability of its force

[839] UK Ministry of Defence (2013), *Reserves in the Future Force 2020: Valuable and Valued*, Cm 8655 (London: The Stationery Office), p. 66.
[840] Ibid.
[841] Personal interview with Jeff Mason and David Wiggins.
[842] Cf. the critical commentary by John A. Nagl and Travis Sharp (2010), "Operational for What? The Future of the Guard and Reserves," in *Joint Force Quarterly*, No. 59 (4th Quarter), pp. 21–29.
[843] U.S. Department of Defense, Office of the Vice Chairman of the Joint Chiefs of Staff and Office of the Assistant Secretary of Defense for Reserve Affairs (2011), *Comprehensive Review of the Future Role of the Reserve Component*, Volume I: Executive Summary & Main Report (N.A.), pp. 3–13.
[844] Ibid, pp. 5, 61.

generation.[845] The planned use of reserves in the USA as a possible corrective to the overreliance on contractors echoes the Civilian Expeditionary Workforce that similarly sought to balance the workforce by making more use of DOD's civilian workforce for tasks that are often performed by contractors, even if the CEW did not explicitly frame its objectives in this manner.[846]

Overall, the increased intended use of reserve forces in the future in both countries does not signify a turn away from contracting. To the contrary, the SR concept in the UK follows contract practices, is based on close cooperation with industry, and intends for SRs to be used only for the shortest possible time and be replaced by civilian contractors as soon as possible. In the USA, it is not yet clear how far the plans will be implemented. If they will be, they may only have a limited impact on the use of contractors as a more efficient use of the (often limited) remaining in-house resources does not qualitatively reduce the need for contractors, while there is no mention of reducing the use of available contract vehicles such as LOGCAP. Also, past experience has shown that this may be more of a budgetary exercise to maintain, on paper, a sustainable force structure as was intended in the 1970s after the introduction of the all-volunteer force which had formally contained most of its support element in the Reserves, but saw these tasks performed in practice by contractors from the 1980s onwards. Finally, as the next section shows, the intellectual trajectory in the joint US military leadership is towards further instituting the functional, capabilities-focused use of manpower that in the past meant more contractorisation, and in the future means a further relative loss of control over the defence enterprise by the military.

[845] Yasmin Tadjdeh (2012), "Army Secretary Calls for Tighter Integration of Active, Guard, Reserve Forces," in *National Defense Magazine* (22 October 2012), accessed 10 July 2013, available at http://www.nationaldefensemagazine.org/blog/Lists/Posts/Post.aspx?ID=938.
[846] Cf. Dunigan, *Considerations for CEW*.

The USA: the Joint Logistic Enterprise

The Joint Staff in the USA is working on a radically altered vision for the future of joint logistics which is not entirely dissimilar to the TSF in the UK. Its "Joint Concept for Logistics" (JCL) is intended to serve as a stepping stone towards "developing future logistics capabilities, doctrine, and force structure."[847] Its timeframe stretches from 2016 to 2028, underscoring its relevance for our appraisal of the future of US military logistics.

The JCL "proposes the Joint Logistics Enterprise (JLEnt) to integrate DOD capabilities ... with those from the interagency, multinational, nongovernmental, and commercial world."[848] Most important to the JLEnt is its understanding of the logistics enterprise as a network comprising real-time information on and visibility of requirements and available resources.[849] Christianson, who serves as senior mentor for the experiments and further development of the concept at the National Defense University in Washington, D.C., points out the challenges and expected gains from the shift from hierarchy to "structured networks." Networks are expected to radically improve efficiency and effectiveness, with one experiment suggesting that "just by connecting two people in a disaster mission here in the United States we could improve the performance by up to 40% without changing anything else."[850]

The JLEnt's use of social network theory stands in direct contrast to the military's preference for hierarchy.[851] In a network scenario, a remaining concern thus is the maintenance of public control and ownership over the process in the absence of classical command and control on which the military tended to "pretty much base everything".[852] Even though there is structure within the network, with

[847] U.S. Department of Defense (2010), "Joint Concept for Logistics", (N.A.), p. iii.
[848] Ibid, pp. 9–10.
[849] Ibid, pp. iii, iv, 1.
[850] Personal interview with Chris Christianson and George Topic.
[851] Ibid.
[852] Ibid.

some members for instance being able to order actions,[853] the JLEnt confirms a fundamental shift that has been identified throughout this study: relinquishing "control" and thinking in terms of managing "outcomes" without micromanaging individual activities is fully in line with advocacy and practice that seeks to turn the government into a smart buyer, customer, and custodian of its defence enterprise rather than its owner in the classical sense. In this respect, even though not yet being fully implemented, the JLEnt bears significant resemblance with the TSF in the UK.

VI. 3. iii. Continued Knowledge and Asset Transfer

In line with the trajectory identified above which saw the military formalising its reliance on contractors and integrating its workforce with various non-governmental actors (of whom industry is the largest), its logical conclusion – in the spirit of shedding ownership and embracing custodianship – is the continued transfer of knowledge and assets out of the military. This process, which is almost irreversible unless governments take drastic action such as reintroducing conscription or renationalising industries, began gradually in the 1980s with basic logistics and accelerated in the 1990s throughout much of the defence logistics enterprise. Now it is most visible in the mandating of performance-based logistics and contractor logistics support arrangements that further reduce the military "core".

Mandating PBL and Integrating CLS Contractors

In line with DOD Directives 5000.01 and 5000.02, PBL has become "the preferred product support strategy" in the USA.[854] In the FY2013 NDAA, the USA made further strides towards entrenching long-term partnership arrangements in equipment support. It mandated that life-cycle management of major weapon systems shall maximise competition and value for money; PBL is named first on a list

[853] Ibid.
[854] Defense Acquisition University, "Performance-Based Logistics (PBL)," in *ACQuipedia*, accessed 29 May 2013, available at https://dap.dau.mil/acquipedia/Pages/ArticleDetails.aspx?aid=68d85f9.

of product support arrangements that are to be used.[855] The Acquisition Reform Working Group, which includes the PSC, supported this section of the NDAA. It commended "especially its focus on a strategy for life-cycle management and product support, cost-benefit analysis, outcome based approaches, and the variety of product support arrangements and the recognition of their benefits."[856] In other words, Congress mandated the military to pursue logistics practices that broadly affirm and adopt the ideas, processes, and evaluations that industry has long lobbied the government on.[857]

The push for CLS arrangements falls into the same category. The USD (AT&L) set up a task force to review DOD's "organization, doctrine, training, and planning for contractor logistics support of contingency operations",[858] strongly suggesting that DOD seeks to expand arrangements similar to PBL on deployed operations. The UK is ahead of the USA in this regard, with doctrine already stating that "[contracted] support must be an integral part of the [support network]".[859] In its business plan for the years 2010 to 2013, the procurement and support organisation of the MOD, Defence Equipment and Support (DE&S), lists among its strategic objectives to "[excel] in managing through life a portfolio of complex projects ... in a way that demonstrates commercial best practice."[860] DE&S also aims to deepen its relationship

[855] US Congress, *FY2013 NDAA*, Section 823.
[856] Acquisition Reform Working Group (2012), "Comments on FY 2013 National Defense Authorization Act: House-Passed H.R. 4310 and Senate Committee-Reported S. 3254", accessed 25 January 2013, available at http://www.ndia.org/Advocacy/Resources/Documents/ARWG%20FY13%20NDAA%20PACKET%20FINAL%208-22-12.pdf, p. 6.
[857] Cf. section IV.1 above and, for instance, U.S. Department of Defense, Defense Business Board (2003), *Supply Chain / Performance-Based Logistics Task Group: Report to the Senior Executive Council, Department of Defense, Report FY03-4* (Washington, D.C.).
[858] U.S. Department of Defense, Office of the Under Secretary of Defense (Acquisition, Technology, and Logistics) (2012), "Terms of Reference - Defense Science Board Task Force on Contractor Logistics Support of Contingency Operations", Memorandum for Chairman, Defense Science Board (Washington, D.C.: Department of Defense).
[859] UK MOD ACDS (LogOps), *Support Network*, p. 4.
[860] UK Ministry of Defence, Defence Equipment & Support (n.d.), *DE&S Business Plan 2010-2013* (Abbey Wood: UK Ministry of Defence), p. 2.

with industry to enable access to its supply chain, and to increasingly work "on the basis of mutual understanding and trust".[861]

As both the US and UK governments intended, industry and government are becoming "one team" in which industry increasingly owns the technologies and manpower necessary to operate the defence enterprise. The growth of the sphere in the defence enterprise that is offered to and occupied by industry also further increases their stakes in the public-private model in the long run to maintain industry's willingness to invest in innovation, capacities, and their own manpower. Therefore, not only are individual support arrangements such as PBL and CLS highly popular among industry. The perspective of such long-term business further invigorates and explains the resistance to insourcing efforts such as the initiative discussed in chapter IV, as insourcing could pose a possibly dramatic threat to business prospects.[862] Cubic, for instance, which had refrained from lobbying on aid freezes to Egypt despite its relative dependence on foreign sales, did lobby against the sequester.[863] The company fears that all of its contracts in the USA "are at risk of being cut or terminated".[864] Moreover, the company is concerned with losing business for re-competed contracts that it had been awarded on a sole-source basis.[865] This makes long-term arrangements such as PBL and CLS particularly appealing as they generally reduce the occurrence of re-competition cycles, unlike "indefinite delivery / indefinite quantity" contracts.[866] These fears should be allayed as both states are further reducing the "core" of military responsibilities, ownership, and knowhow and thereby ensuring a high level of business well into the future.

[861] Ibid.
[862] Cubic Corporation, *Annual Report for FY2013*, p. 15.
[863] Interview with senior source with knowledge of CTC sale to Jordan.
[864] Cubic Corporation, *Annual Report for FY2013*, p. 15.
[865] Ibid, p. 17.
[866] Ibid, p. 18.

The USA and the UK: Further Reducing the Core

The scope of "core competencies" shrank particularly much in the field of military logistics. The most pertinent examples are the reduction of organic engineering, operations, and maintenance capabilities. Even in 2009, the US military identified logistics and force support as "DOD core competencies", defining them respectively as "[the] ability to project and sustain a logistically-ready joint force" and "[the] ability to establish, develop, maintain and manage a mission-ready Total Force" and installations across the force.[867] While the designation of an activity as a "core competency" would typically preclude it from being outsourced, the DOD's review of roles and missions cites as a success for intra-theatre airlift CENTCOM's "ability to meld commercially contracted intratheater airlift options into the mix of airlift capabilities."[868] Much like the now preferred PBL and CLS arrangements, capabilities, systems, and services are outsourced rather than maintained, let alone further developed in-house in line with the incremental reduction of the "core".

In the UK, the SDSR announced that to meet financial challenges it plans the "sales of assets such as the Defence Support Group" (DSG).[869] The DSG had been founded in May 2007 as a merger of two trading funds but remained owned by MOD.[870] The DSG provides *strategic* in-house capability for maintenance, repair, overhaul, and technological upgrades.[871] The UK government plans to privatise the DSG despite the crucial nature of its services, and without being able to ensure that a privately-owned and operated DSG would be able to assure the provision of capability

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[867] U.S. Department of Defense (2009), "Quadrennial Roles and Missions Review Report", (N.A.: U.S. Department of Defense), pp. 3, 7.
[868] Ibid, p. 21.
[869] UK Government, *2010 SDSR*, p. 31.
[870] See UK Ministry of Defence, Defence Support Group (2012), "History," (2012), accessed 4 December 2012, available at http://www.dsg.mod.uk/History.asp, and
UK Ministry of Defence, Defence Support Group (2012), "Who We Are," (2012), accessed 4 December 2012, available at http://www.dsg.mod.uk/content.asp?page=2.
[871] UK Ministry of Defence, Defence Academy, Joint Services Command and Staff College [2012], *Defence Policy and Strategic Programming*, Teaching Material for the Advanced Command & Staff Course, p. 75.

at short notice and affordable cost,[872] while nonetheless expecting the DSG to do so.[873] The sale of the DSG will not only consolidate but further increase the UK military's dependency on the private sector for equipment support services, in line with the view that government reorients its attention to outcomes rather than micromanaging processes and the people who execute them. Industry, for its part, views opportunities arising out of the sale, looking whether the private sector could do more for the MOD.[874]

This shedding of in-house knowledge also extends to much more fundamental requirements of troops on deployed operations. David Scholes, who had to stand in as logistics manager of Camp Bastion in Afghanistan for KBR, noted that "[the] Royal Engineers working on Camp Bastion had never built" deployable temporary accommodation before. The British Army had not retained in-house knowledge or skills regarding such a fundamental requirement and had to rely on its contractor which, in the case of Camp Bastion, performed poorly for long stretches of time.[875]

Christianson's aforementioned assertion thus rings true not only in theory but in practice in both the USA and the UK.[876] Neither military still 'owns' all assets it needs to deliver desired outcomes. Rather, increasingly much of it resides in the private sector and will, if anything, only increase, not decrease. As a deeply involved source in the MOD put it, the UK government will not "pay for activity transfer. It will not be able to afford to pay to transfer *back from* the private sector once it has let it go *to* the private sector."[877] Similarly, the USA will continue to use LOGCAP for years to come because a unilateral "termination of LOGCAP support is not an … option"

[872] Personal interviews with senior and mid-level UK industry sources.
[873] Telephone interview with Richard Hamber.
[874] Telephone interview with Paul Glanville.
[875] David L. Scholes (2008), *Without Prejudice: Iraq, Afghanistan. A Personal Account of Nations in Conflict* (Leicester: Matador), pp. 196, 206.
[876] See p. 256 above.
[877] Interviews with senior and mid-level UK government sources.

according to a former LOGCAP manager.[878] The trajectory above that comprises the formalisation of contracting out capabilities, integrating public and private workforces, the shedding of in-house knowledge, assets, and manpower, and the resulting rapidly growing mutual dependency is firmly in place. On the one hand, the interests of government and industry considerably overlap while the above highlights the recurring observation of a "bias towards business" and, through omission, a simultaneous systemic absence of veto-points and potential veto-players of comparable clout, on the other hand. The latter is one of the issues discussed next.

VI. 4. Problems and Concerns

The outsourcing of military logistics highlights issues that emerge out of the use of these contractors in warzones, the heightened degree of (mutual) dependency, and the deep integration of workforces. These issues are directly relevant for the long term as they affect the structure within which defence policy is made and implemented.[879] They are operational security, the question of how far contractor capability is assured to the military, the recurring question of direct and indirect participation of contractors in the making of (sensitive) decisions, and finally how the simultaneous mutual dependency and tighter integration of workforces affect the incentives of officials.

VI. 4. i. Operational Security

Operational security concerns the safety of pieces of information that – if someone managed to group them together – could lead to the identification of the bigger picture. As noted, contractors are embedded with the military at various

[878] Smith, *War for Profit*, p. 34.
[879] The following must concentrate on those issues with direct relevance to the policy process and decision-making. It is therefore unavoidable that, for instance, social and socio-economic issues such as the exploitation of cheap labour for military logistics cannot be examined in detail. Cf. ibid, p. 25.

operational headquarters in order to facilitate accelerate, and contribute to operational planning, especially planning for the contractor contingent. It is therefore necessary to examine whether contractors participate in operational planning and, if so, from what point onwards, in order to determine whether they represent a risk to operational security and by extension to the decision-making process.

Interestingly, a number of logistics problems in Iraq occurred because contractors held security clearances that were too low for participating in operational planning. Rather than being potentially able to divulge classified information, the contractors in fact had only little time to respond to military requests for capability.[880] LOGCAP contractors who are involved in providing support to operational planning and require access to sensitive data require security clearances like government personnel. The late whistleblower, former LOGCAP manager Charles Smith said that it was not a concern in the Army that contractors could divulge sensitive information; "our contractors can operate with classified documents."[881] Former ACDS (LogOps) Maj. Gen. (ret) David Shouesmith moreover points out that there is not much in most operational plans that could be harmful. "Are you going to call the Taliban and tell them that we are going to build a base somewhere?"[882] Given the necessity for security clearances, the issue in both countries is therefore not one of being a contractor or government employee, as this "is not exclusive about the relationship between MOD and contractors but applies also within MOD."[883] Information is circulated on a need-to-know basis to everybody, not just contractors.[884]

Some concerns for operational security however remain. As Mr Smith pointed out, at some point in time "you run into brute facts." In September 2002, for instance, stock was moved from Qatar to Kuwait, a contract was ordered to be set up for the

[880] Rasor and Bauman, *Betraying Our Troops*, p. 15.
[881] Telephone interview with Charles Smith.
[882] Personal interview (2013) with David Shouesmith.
[883] Ibid.
[884] Telephone interview with Richard Hamber and personal interview (2013) with David Shouesmith.

repair of war damage, and all of this was to be classified. While the paper trail could be suppressed, under the given circumstances "it was kind of obvious that this was not an exercise but that we were preparing for war at that point of time."[885] The involvement of contractors widens the net of those aware of such movements while simultaneously "people are moving, equipment is moving". Thus, already in September 2002 "a lot of people were figuring out" that the USA was making specific preparations for war.[886]

This issue should grow in the future. The move towards a lean, distribution-based, just-in-time logistics system dramatically reduces stock levels for the military to work off of so that it has to approach industry much earlier in the planning process. Coupled with the fact that the workforce is hugely diversified – especially for ostensibly simple tasks such as moving and storing equipment – it must accept that more easily visible information such as stock movements will become public knowledge considerably earlier than in the past. Although wars rarely break out completely unannounced, such information can nonetheless affect the course of events. In September 2002, for instance, it could have pressured the Iraqi government to surrender to US pressures, or alternatively suggested to the public that diplomatic efforts were a red herring rather than intended to avoid a military confrontation.

VI. 4. ii. Assured Capability

A more serious problem is the military's ability to assure services delivery in warzones.[887] This issue becomes more pressing with the growing dependency on contractors as the military would have fewer, if any, options left to replace a shortfall, certainly at short notice. There are a legal and a practical angle to this problem, which

[885] Telephone interview with Charles Smith.
[886] Ibid.
[887] For an incisive analysis of command & control issues related to military outsourcing, see Frank Camm (2012), "How to Decide When a Contractor Source Is Better to Use Than a Government Source," in *Contractors and War: the Transformation of US Expeditionary Operations*, eds Christopher Kinsey and Malcolm Hugh Patterson (Stanford, CA: Stanford University Press), pp. 233–254, at pp. 240–244.

concern the military's ability to force contractors to perform and contractors' ability to pressure the government, respectively.

While occurrences of contractors refusing to work are certainly not the norm, they do exist and problematise the government's dependency on them. Rasor, Bauman, and Charles Smith recount instances in which KBR threatened to cease performing for LOGCAP in Iraq. In one case, KBR threatened, probably in 2004, to cease work if the Army did not pay outstanding bills, which federal regulations allow KBR to do.[888] In other cases contractors left Iraq when the civil war heated up, forcing KBR to cease convoys for two weeks and leading to food rationing among troops in Anbar province.[889] LOGCAP manager Smith does not believe that KBR would have gone through with its repeated threats to cease operations. Invariably, when a liaison officer at KBR suggested that KBR may not be able to go on working, the next day the company's president or vice president would call the commanding general of the command managing LOGCAP and assure him that KBR would never walk away from the contract or stop supporting the troops.[890]

Despite such incidents, the problem here is not that it is a *frequent* occurrence,[891] but rather that it is a *potential* occurrence which would place the military in a situation in which it may not be able to immediately replace the capability in an active warzone. This problem would be virtually inexistent had the military retained these capabilities in-house because soldiers fall under military jurisdiction – the Armed Forces Act in the UK and the Uniform Code of Military Justice (UCMJ) in the USA – which mandates them to follow orders. Although attempts and

[888] Rasor and Bauman, *Betraying Our Troops*, pp. 1, 5, 42, 44, 70, 135.
[889] Ibid, p. 70.
[890] Telephone interview with Charles Smith.
[891] Criticism in the literature tends to focus more on KBR's management than on its employees, see e.g. Scholes, *Without Prejudice*, p. 76. Moreover, the company Supreme has lost more employees in Afghanistan than the UK military lost soldiers in that country, as was pointed out in a personal interview with Jeff Mason and David Wiggins.

legal changes have been made in recent years, it still remains questionable whether contractors actually fall under military jurisdiction.

The literature on the legal status of contractors focuses on the persecution of crimes committed by contractors.[892] In 2007, some provisions of the UCMJ became applicable to contractors with US citizenship working for US government agencies during wartime or contingency operations.[893] There however remains scepticism among experts whether the enforcement problem would be solved given the close relationship and dependency of the US government on contractors,[894] and especially following a Supreme Court ruling that further severely limits the applicability of the UCMJ to contractors.[895] In the UK, the Armed Forces Act does not apply to contractors at all, limiting the ability of uniformed troops to detain or otherwise limit the freedom of contractors to cases of criminal misconduct.[896] The ability of contractors to theoretically quit their job on the spot further questions their liability under the UCMJ even in the few cases that the code may apply to them. The Sponsored Reserves model is partly aimed at lowering the likelihood of this and of 'no-show' occurring by putting SRs in uniform during the high-risk stages of an operation.[897]

In sum, there remains a residual risk in comparison to the ideal-typical self-sufficient military with regards to the uncertainty as to whether contractors can be forced to fulfil their job in warzones, which in turn may jeopardise an operation.

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[892] The stereotypical example would ask which court should deal with a case in which a Chilean contractor, who works for an Australian company which is subcontracted by a British company that in turn is hired by the US State Department, shoots a civilian in Iraq.

[893] Simon Chesterman (2008), "Leashing the Dogs of War: the Rise of Private Military and Security Companies," in *New York University Law and Legal Theory Working Papers*, No. 85, pp. 39–45, at p. 41.

[894] Chia Lehnardt (2008), "Individual Liability of Private Military Personnel under International Criminal Law," in *European Journal of International Law*, Vol. 19, No. 5, pp. 1015–1034, at p. 1032.

[895] Willem Genugten, Marie-José Heijden, and Nicola Jägers (2011), "Protecting the Victims of the Privatization of War," in *The New Faces of Victimhood*, eds Rianne Letschert and Jan van Dijk (Dordrecht: Springer Netherlands), pp. 253–278, at p. 272.

It is telling that of the many lawsuits notorious contractor Blackwater faced, none were concluded under the UCMJ but at best for minor arms transfer charges, i.e. criminal cases.

[896] Personal interview with Jeff Mason and David Wiggins.

[897] Ibid.

VI. 4. iii. Contractors in (Sensitive) Decision-Making

Logisticians should ideally be included in politico-strategic decision-making early on.[898] Key to the examination of contractors' effect on decision-making is the analytical distinction between "should" and "could".[899] The former denotes the decision as to whether an action should be taken at all, while the latter concerns the ability to do so. Dozens of interviewees from across the spectrum without exception agreed that the "should" decision should not (and does not) involve contractors, and that industry would only come in – possibly very early on – to help determine the "could".

It is however questionable to which extent the two are in fact separate. Decisions on whether or not to intervene, for instance, cannot be taken without considering the ability to do so. An especially illustrative example of this occurring on the highest levels of government is the involvement of KBR in the run-up to the 2003 Iraq war and the "Restore Iraqi Oil" contract. Months before the war began in March 2003, the high-level Energy Infrastructure Group, composed mostly of government representatives from the Departments of State, Defense, and Energy, the CIA, and other departments met in Washington, D.C. to plan for the response to the anticipated damage to the Iraqi oil infrastructure. As former LOGCAP manager Smith wrote, the initial plan was to conduct this work under LOGCAP. The contract was held by KBR at the time, and the company was present at the group's meetings that were otherwise highly classified because of their immediate relevance for the planning, conduct, and post-war politics of the Iraq war that began months later.[900]

Beyond such singular cases, contractors' role in generating "actionable knowledge" through the collecting, processing, analysing, and presentation of data

[898] This is not always the case. Mason recounted having to go and invite himself "to meetings in order to have logistics considered at the strategic level". Personal interview with Jeff Mason and personal interview with Chris Christianson and George Topic.
[899] This formulation was suggested in a personal interview (2013) with David Shouesmith.
[900] Smith, *War for Profit*, pp. 16-17, 55-57. See also Michael Shnayerson (2005), "Oh! What a Lucrative War," in *Vanity Fair* (April 2005).

ensures they will be routinely involved in operational decision-making in the future.[901] Contractors are embedded in every combatant command and involved in the routine writing of general plans for possible theatres of operation. Logistics contractors thereby affect scenario planning more broadly. Moreover, being in close contact with future General Officers who will hold real clout in the future, contractors may influence how plans are created in the bigger scheme of things.[902] While such influence may be one degree removed, its knock-on effects may be considerable, even if they are unintended, with the reinforcement of patterns and practices to which contracting and contractors are inherent. Moreover, this link will likely become stronger with the tighter integration of workforces and the growing reliance on contractors for non-combat tasks. Therefore, even if the "should" decision was taken by government alone, industry will have to be brought in as early as possible thereafter to inform on the "could" given its involvement in mission-critical tasks.

The above moreover provided further support for earlier observations that industry is deeply and closely involved in shaping future acquisition and logistics policy. For instance, it is not clear what role industry played in advocating LOGCAP; an FOI request filed by this author to the U.S. Army remained unanswered. Christianson however assumes, as a default expectation rather than based on direct observations, that industry will have lobbied for the programme.[903] Charles Smith moreover suggests that, unlike systems acquisition, logistics did not have a champion lobbying for its retention in the military.[904] Coupled with previous examinations of industry's involvement in much narrower matters, it would therefore be most surprising had there not been any lobbying efforts at the time in support of contractorising support to overseas operations. Moreover, the record shows that the decision to award LOGCAP as a major umbrella contract was taken in August 1992

[901] See Tuttle, *Defense Logistics 21st Century*, p. 7 regarding "actionable knowledge".
[902] Telephone interview with Charles Smith.
[903] Personal interview with Chris Christianson and George Topic.
[904] Smith, *War for Profit*, pp. 29–34.

after a classified study by KBR's predecessor Brown and Root Services had recommended precisely such an arrangement that same year. LOGCAP I was then awarded to Brown and Root Services shortly thereafter.[905]

This type of influence may also play out in such a manner that industry ultimately affects government's strategic decision-making although its input concerns defence-industrial policy. For instance, if government were to drastically shrink its global defence posture – a key driving force of military outsourcing – this would directly affect industry's business prospects for the future. The same applies to government plans to reduce the breadth of technological and operational capability it expects the military to hold. While industry would approach these policies from an ostensibly economic and industrial perspective, highlighting the long-term consequences for industry's ability to supply the armed forces into the future, the results may well be strategic if the government decides to rescind these decisions. For instance, as the former Director Land at ADS put it, "from an industrial perspective, if [the government] will no longer have a capability ... we will certainly point out where that capability currently exists. We will stress the importance of research and technology because [of the long lifecycle] to continue to be able to deliver the capability you need going forward. If there is not a market for [certain] products and services within the UK today, then the market forces will dictate and industry will no longer" maintain them.[906] Therefore, "the UK government needs to be aware whether that capability will be available" in the future, and ADS "would definitely identify things that are critical to UK capability" and make sure the government is aware of the potential long-term impacts of such policies.[907] In the USA, Mr Soloway, the President and CEO of trade group PSC, similarly placed his criticism of plans to limit the government's ability to label some procurements as "commercial items" as

[905] Ibid.
[906] Personal interview with Gordon Lane
[907] Ibid.

affecting the "DOD's mission writ large",[908] creating a seemingly inherent link between strategy and acquisition from industry. We thus cannot truly separate the government's "should" decision for a course of action such as strategic, military-technological, or acquisition-related realignment from industry's input into the ostensible "could".

Moreover, not only can the two not be separated, resulting in the permanent participation of industry in these decision-making processes. The process is also even more unchecked by potential veto-players than was the case regarding broader defence acquisition policy. Former LOGCAP manager Mr Smith worked at the Rock Island Arsenal in Illinois for 30 years. Asked about being exposed to critics of current outsourcing policy and practice such as POGO, he stated "I never had any dealings with them until I left. I did not see any influence from groups like that at the level I operated."[909] The limited outside influence that was exerted at the Arsenal was from Congress and industry groups. "It was a pretty closed circle."[910]

The same applies in the UK, where the working-group level is not exposed to scrutiny and does not involve equivalents of POGO either. The Defence Suppliers Forum (DSF) was created by the new government in 2010 as "the major conduit for MOD-industry relationships", is chaired by the Defence Secretary, and comprises representatives from prime contractors and small and medium-sized companies. Its objective is to facilitate interaction between the MOD and industry and to inform logistics and supply policy.[911] Minutes of DSF meetings contain minimal information on their substance, but underscore the weight of industry as they represent the only non-government participants and appear to take the lead on several issues. Regarding the realisation of the Total Support Force, a meeting on 13 February 2013 decided to

[908] Personal interview with Stan Soloway.
[909] Telephone interview with Charles Smith.
[910] Ibid.
[911] UK Ministry of Defence, "Defence Suppliers Forum," in *Gov.uk*, accessed 22 March 2014, available at https://www.gov.uk/government/policy-advisory-groups/defence-suppliers-forum.

collect examples of successful CSO which in the first instance were to be sent to Mr Andrew Higginson from Higginson Associates, who advises the MOD on the TSF, and only copied to ACDS (LogOps).[912] This also applies more generally. Advisory channels exist *in order to* provide the industry-wide perspective to the UK government, with "no closed door to any provider."[913] The future trajectory of UK outsourcing policy is all but free from outside interference that would question the overall direction of travel. Rather, confirming the view that outsourcing contributes to a technicalisation of defence policy and policy-making, NGOs such as POGO are not represented in the process at all.[914] "It is not politicised, not out in the open. The formal conclusion is technical".[915]

Kinsey was thus correct when he found that, overall, contractors "are now part of the decision-making process as to whether an operation should go ahead" by virtue of being the military's enablers through the provision of critical services and equipment.[916] In fact, this applies even more broadly to the entire current and future practice and trajectory of the supply of the armed forces, and by extension quite possibly to the content and patterns of strategic decision-making.

VI. 4. iv. Loyalties and Interests

Criticism of how outsourcing and public-private partnerships can negatively affect the incentive structure for government employees focuses on the "revolving door". Related to it are cases of misconduct in which companies are favoured by officials in sales cases so as to facilitate walking through that revolving door into industry in the future.[917] There is also a less reported issue in the context of

[912] Minutes are available at UK Ministry of Defence, "Defence Suppliers Forum: Meeting Minutes," in *Gov.uk*, accessed 22 March 2014, available at https://www.gov.uk/government/publications/defence-suppliers-forumn-meeting-minutes.
[913] Telephone interview with Richard Hamber.
[914] Ibid. and personal interview (2013) with David Shouesmith.
[915] Telephone interview with Richard Hamber.
[916] Kinsey, *Private Contractors and Iraq*, p. 104.
[917] See for instance the cited publications by POGO and CREW, especially in chapter IV.

outsourcing that is related to but goes beyond the creation of incentives to be potentially unduly "friendly" towards industry in order to secure a post-government career. It is salient in the USA but not the UK, and additionally underscores and reinforces the wider bias towards business and the relative absence of veto-players. This additional, systemic problem is the further removal of internal opposition to contracting policy and practice inside the government, a stark downside of the 'bias towards business'. This is a very timely concern in light of the trajectory that is characterised by the convergence of interests, blending of workforces, and growing selectivity of the policy process well into the future so that checks and balances will be increasingly difficult to uphold.

In the military command managing LOGCAP in the USA, the Rock Island Arsenal in Illinois, this issue played out in the case of the aforementioned former LOGCAP manager and eventual whistleblower, the late Mr Charles Smith.[918] Smith worked for the Army for 31 years and "managed the LOGCAP contracting process from 2000 to late 2004" when he "was abruptly relieved of that position" after confronting the LOGCAP prime contractor KBR about problematic business practices and announcing a freeze of payments until these issues were resolved.[919] His 2012 book provides detailed, first-hand information on little-known intricacies and internal dynamics which were augmented by a lengthy interview of this author and triangulated by drawing on other sources. Smith's insights filled a long-standing gap of first-hand accounts into the management and implementation of one of the largest military service contracts of the US military.

At Rock Island Arsenal, Smith criticises that the "institutional Army" – as opposed to the Army leadership – was "not always [supporting] the ideals of its leaders", occasionally failed to acknowledge mistakes and problems, and was "too

[918] For a touching tribute to Mr Smith see Dina Rasor, "The Anatomy of the Perfect Whistle-Blower," in *Truthout*, accessed 23 March 2014, available at http://www.truth-out.org/opinion/item/22436-the-anatomy-of-the-perfect-whistle-blower.
[919] Smith, *War for Profit*, pp. 5–6.

close to contractors".[920] It therefore depended to some degree on whether the command focused on the civilian chain of command or the military one. The former goes up to the Assistant Secretary of the Army for Acquisition, Logistics, and Technology (ASA (ALT)) and the Secretary of the Army, while the latter reports up to the Chief of Staff of the Army. In the 2000s it was the "civilian side that seemed much more responsive to the contractor" than was the case with the military side.[921] This played out in a dispute with KBR on billing practices for dining facilities. The highly confrontational situation, which ultimately led to his reassignment and that of his lead contracting officer Ms Watkins, was about what Smith and his colleagues considered unreasonable costs KBR was charging for dining facilities but that it could not prove or justify. Smith decided to withhold payments to the company and sent a letter to the company announcing a withholding of 15% of the billed costs. Ms Watkins, who had contacted KBR to enquire about the impact of the 15% withhold was removed from her post and the waivers continued. The Commander, Maj. Gen. Johnson decided, after a call with senior leaders in the Department of the Army, to order "[rescinding] the letter imposing the 15% withhold."[922]

The situation evolved further. The company RCI, now Serco, audited KBR – a responsibility of the Defense Contract Audit Agency (DCAA) – and found almost all costs to be allowable. Mr Smith's successor – who unusually for this position continued to chair the board that determines award fees for good performance – went on to award KBR fees for good performance. He also changed the contract to a fixed-price model *after* the service had been delivered, and based it on RCI's estimate. This meant that payments were made in full and no longer subject to an independent audit.[923]

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[920] Ibid, pp. 6–7.
[921] Telephone interview with Charles Smith.
[922] Smith, *War for Profit*, pp. 59, 65-82.
[923] Smith's successor went on to be promoted to the highest-ranking civilian position in the superordinate US Army Corps of Engineers (USACE). Ibid, pp. 71–82.

KBR continued to receive preferential treatment. To Smith, as to other authors,[924] there appeared to be high political interest in shielding KBR from risks. Halliburton, KBR's mother company, was facing an asbestos lawsuit forcing it to settle with a mix of cash and stocks. KBR threatened to increase the amount of cash having to be paid out if its disputes caused the stock price to drop. This was avoided as KBR was not penalised by the Army.[925] The support went so far that the director of the DCAA, April Stevenson, was removed from her post after testifying to the Commission on Wartime Contracting about problems with KBR's business system. She was replaced by the head of the Army Audit Agency, effectively ensuring that the Army would no longer be criticised for its handling of KBR's performance in LOGCAP.[926] What is more, according to Smith the ASA (ALT) and the commanding general of the Army's Sustainment Command defended KBR rather than their own employees at a Senate hearing, and made false claims about KBR's performance which they later had to retract.[927] In Smith's opinion, besides the political interest in KBR and Halliburton, the Army appeared to have created contractors that – like their counterparts in finance – were "too big to fail",[928] and by extension distorted the incentive structure of the individual Commander.

The case of Mrs Bunnatine Greenhouse falls into the same category, also involves KBR, and is the closest to producing "fingerprints" supporting the claims of direct political interest in and preferential treatment of KBR. The above is thus not singular, neither for KBR nor for other contractors.[929] Mrs Greenhouse's case is

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[924] Cf. Rasor and Bauman, *Betraying Our Troops*, Pratap Chatterjee (2010), *Halliburton's Army: How a Well-connected Texas Oil Company Revolutionized the Way America Makes War* (Perseus Books Group), and Leander, *Eroding State Authority*.

[925] Cheney at the time also exercised a stock option worth $6.9 million which he however donated to charity. Smith, *War for Profit*, pp. 71–82.

[926] Charles M. Smith (2013), "A Spoiled KBR Demands More and More From the Army," in *Truthout* (10 July 2013), accessed 19 July 2013, available at http://www.truth-out.org/opinion/item/17481-a-spoiled-kbr-demands-more-and-more-from-the-army.

[927] Ibid.

[928] Ibid.

[929] DynCorp International, for example, received low ratings from the Department of State and is nonetheless continuously awarded high-value contracts by government agencies. Cf. David

intimately linked to the aforementioned Restore Iraqi Oil (RIO) contract. As noted, the original plan was to conduct the work – putting out anticipated well-fires following the invasion of Iraq – under LOGCAP. Mr Smith had voiced opposition in the high-level meetings at DOD that LOGCAP could not engage with the oil industry, and moreover opposed sole-sourcing the work to KBR because market-research had shown that other companies were capable to do the work and had done so in 1991. The next day, following a decision taken at a party the night before between the then-Commander of the Army Corps of Engineers (USACE) and the Secretary of the Army, Smith was removed from the meetings and replaced by the USACE. The Corps ultimately sole-source awarded the contract to KBR for approximately $7 billion. Greenhouse, the USACE's most senior civilian objected to this and other awards to KBR, and to favourable treatment of the company.[930] She also opposed on regulatory grounds. KBR had been paid $1.9 million for a study on contingencies about how RIO would unfold, which would usually preclude the company from bidding for the contract, let alone receive it on a sole-source basis. What is more, KBR was present at the noted meeting in February 2003. Greenhouse signed the contract the next day under pressure given the timing on the eve of war, and wrote by hand that she cautioned against extending what was a potentially five-year-long cost-plus contract beyond the initial one year period.[931]

Greenhouse, like Smith, interpreted the situation thus that the assumption was that KBR would get the job. By first trying to award the job under LOGCAP, the work would have automatically gone to KBR. When Smith suggested conducting a quick, classified competition, the response was immediately negative and the episode unfolded as above. Therefore, this contract, in light of those involved and the

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Isenberg (2012), "0 + 1 + 0 + 0 + 0 = DynCorp," in *Huffington Post* (23 February 2012), accessed 19 July 2013, available at http://www.huffingtonpost.com/david-isenberg/dyncorp-government-contracts_b_1295623.html.

[930] Shnayerson, "Lucrative War", and Smith, *War for Profit*, pp. 16-17, 55-57.

[931] Shnayerson, "Lucrative War".

meetings occurring within the Office of the Secretary of Defense with high-level officials, "from day one, at the highest levels of the Department of Defense, was going to KBR."[932] A Time Magazine article from 30 May 2004 brought to light what may be closest to "fingerprints" indicating a direct link between Vice President Cheney and Halliburton in these matters. The article quotes an email as saying that "action" on the RIO contract was "coordinated" with Cheney's office. The article cites an email by then-USD (Policy) saying he "approved arrangements for the contract 'contingent on informing WH [White House] tomorrow. We anticipate no issues since action has been coordinated w VP's [Vice President's] office.' Three days later, the Army Corps of Engineers gave Halliburton the contract, without seeking other bids."[933]

Mrs Greenhouse had been questioning non-competitive contracts that were handed to KBR since the run-up to the Iraq War of 2003, and been writing caveats on them by hand. She had received top ratings for her work at the Corps for many years, but was given evaluations as "less than fully successful" twice in a row during the time that she opposed various waivers and favourable treatments of KBR, and was eventually demoted.[934]

Other publicly known examples which provide further support for the concern that internal opposition is unwanted and may be removed if deemed necessary also often involve KBR, not least because it is an unusually large company with unusually large contracts and close ties to high-ranking officials.[935]

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[932] Telephone interview with Charles Smith. Greenhouse concurs with this assessment, see Shnayerson, "Lucrative War".

[933] Timothy J. Burger, and Adam Zagorin (2004), "The Paper Trail," in *Time* (30 May 2004). See also Rasor and Bauman, *Betraying Our Troops*, pp. 183-184, 191.

[934] Shnayerson, "Lucrative War".

[935] These include the case of Col (ret) Larry Wexler, a former LOGCAP deputy program director in Iraq, and Major Rick Lamberth, who moved back and forth between the U.S. Army and KBR and alleges KBR sent a letter to Rock Island Arsenal asking for his dismissal make false claims about run-ins of Lamberth and KBR staff.

See Col Larry Wexler (2012), "Tom's all for Relief, but here's the Story of How I Got Relieved Unfairly in Iraq," in *Foreign Policy* (25 July 2012), accessed 6 June 2013, available at http://ricks.foreignpolicy.com/posts/2012/07/25/toms_all_for_relief_but_here_s_the_story_of_how_i_got_relieved_unfairly_in_iraq, and

Rasor and Bauman, *Betraying Our Troops*, p. 132.

Regardless of whether the highest levels of government were as actively involved as some of the evidence above suggests, these cases required only low participation. In other words, while some of the cases above involving KBR may be extreme cases, for them to unfold in this way did not require a massive institutional conspiracy. At Rock Island Arsenal, all that was necessary to successfully exclude those internal opponents was the acquiescence of the commanding general's immediate superior, a Lt Gen. (ret) Hack – who later went on to work for KBR – on the military side, and the ASA (ALT) on the civilian side. Hack himself had first stayed unusually long in Washington, D.C. after being appointed to the post – suggesting that the turn from a critical to an accommodating approach to KBR may have been decided then at higher levels – and later went on to work for Honeywell.[936] In other words, it is a systemic problem of incentives that can – given the "right" combination of people involved – play out this drastic way. However, and this should be stressed, it does not necessarily, let alone in a majority of cases, play out this way. Smith lists several senior military retirees who deliberately did not join the military industry but sought to succeed with their skillsets elsewhere.[937] And yet, there is a systemic, in-built incentive to appear to be friendly towards contractors for those individuals who are eyeing a post-retirement career in the private sector. "It is not that you go to work for the specific company you 'helped' if you helped a specific company; it is that you are known as the kind of person who was business-friendly."[938]

In sum, outsourcing removes opposition not only incrementally on the higher political levels, where it was shown that the standard agenda now revolves unchallenged around outsourcing. It also does so on the lower, implementing levels. On one extreme end, the incentive structure is reshaped in a problematic way when there are opportunities for abuse. But it should be noted that outsourcing also

[936] Telephone interview with Charles Smith.
[937] Smith, *War for Profit*, pp. 258–267.
[938] Telephone interview with Charles Smith.

generally reduces opposition from within the ranks of public employees. A retired Air Force Colonel is quoted as saying "that much of the scut work now being contracted out ... was traditionally performed by reserve soldiers, who often complain the loudest."[939] In essence, outsourcing – perhaps unintentionally – moves those who complain most from the military chain of command into the private sector.

In the UK, there have not been reports of similar occurrences. However, the indirect marginalisation of opposition to contracting, for instance by removing most veto-points, and overcoming the military's 'culture of resistance' to outsourcing had the same result. Within MOD, the confrontation over whether or not to outsource is over, and even such far-reaching projects as the TSF and practices such as knowledge and asset transfer are no longer disputed. The discussions rather focus on technicalities and processes,[940] the outcome being given.

Overall, four key variables can be derived to estimate how likely these problems are to unfold: the size of the company involved; the company's access to and relationship with decision-makers, which also implicates the revolving door; the government's dependence on a company's services and/or knowhow in a given situation or for the longer term; and the personal element, as most military officers were shown to be exceptionally responsible and ethical, with significant numbers leaving the military not for the defence industry but elsewhere where they cannot leverage their professional relationships.

VI. 5. Findings and Conclusions

This chapter completed the analytical arc of this study. While it also reappraised previous assumptions, bolstered previous findings, and cumulated

[939] Jane Mayer (2004), "Contract Sport: What did the Vice-President do for Halliburton?" in *The New Yorker* (16 February 2004), accessed 18 July 2013, available at http://www.newyorker.com/archive/2004/02/16/040216fa_fact?currentPage=all.
[940] Telephone interview with Richard Hamber.

knowledge on military outsourcing, it focused in particular on the last part of the policy process – policy implementation and its feedback effects – and established both the trajectory of military services contracting more broadly and its ramifications well into the future.

The chapter both deepened our understanding and challenged existing notions of the drivers of military services contracting more generally. It highlighted that it is misleading to centre analyses of the broader contemporary wave of military services contracting around the outsourcing of security functions after the Cold War. Rather, logistics outsourcing predates security contracting by decades, and moreover established both the necessary ideational notions as well as contracting vehicles that arguably enabled security contracting to rapidly take root from the 1990s onwards in the first place. It is unconvincing to argue that governments would have been willing to outsource armed security tasks had they not been able to build on the decades-long experience of contracting out support services both at home and overseas.

The chapter also confirmed the centrality of the question of who primarily benefits from contract services that was assumed to explain the variance in contracting policy and practice regarding foreign military assistance. The UK military, when faced with severe pressures to reconcile resources to supply its own military, found itself unable to even work off of the *assumption* of supplying its own forces only with uniformed troops. Speeding ahead of the USA in its response, the UK decided to outsource responsibilities, integrate workforces with the private sector, institutionalise a force structure that extensively relies on non-state actors and thereby institutionalises a revolving door, and thus continues to shift assets and knowledge into the private sector. It is thus remoulding its military to increasingly resemble an ideal-typical "core competency" force. The UK's inclusion of the private sector throughout the planning, design, and implementation stages confirms this point as much as its concern for the longer-term health of the support services

industry; neither of this was the case in foreign military assistance policy, as there was no perceived urgency comparable to that of securing the sustainment of its own forces into the future. The UK has thus contractorised much of its Armed Forces, as the centring of its reserve policy around notions of contractorised work – epitomised in the Sponsored Reserves – underscores. The USA, having a larger buffer to wear off, has not yet implemented the same steps but was shown to be on a very similar intellectual trajectory. The JLEnt underscores the similarity of guiding ideas and principles, and the deep entrenchment of networked, de-politicised thinking in which the wearing of a uniform and the delegation of responsibilities to contractors become peripheral concerns.

This chapter also identified three often implicit potential downsides of this trajectory. One is the further marginalisation of potential and actual opposition and the simultaneously tight integration of industry across the process. Relatedly, another is the narrowing of alternatives to the current trajectory to such an extent that the government incrementally loses its remaining autonomy in designing a potentially different force structure and sustainment models in the future. The third, finally, is the potentially problematic, systemic reshaping of the incentive structure of state employees to more closely align with that of industry. Given that much evidence here relied on whistleblowers or other insider information, this gives cause for concern for the accountability and transparency of the defence policy process. For instance, governments are increasingly able to 'have their cake and eat it too' as they continue to quantify military commitments and operations solely in terms of its uniformed contingents. It remains to be seen whether the first UK military deployment of a force designed with the "total support force" in mind changes this state of affairs.

Being the backbone of strategy and thus of decision-making, logistics is much more important than is often acknowledged. Its contractorisation aims to alleviate the persistent tensions between strategic commitments, technological demands, and

available resources and manpower. In the longer term, it delays or even prevents decision-makers from acknowledging the potential unfeasibility of their states' expansive postures and commitments – key contextual factors behind contractorisation –, thus indirectly reaffirming their perceived viability. By simultaneously further increasing the selectivity of the policy network in such a way that outsourcing becomes without alternative for decades to come, it helps further establishing the underlying drivers and ideas as seemingly universal truths. Perhaps most importantly, this includes the view that industry, government, and the military are no longer separate entities. This latter point, lest it be forgotten, is sometimes explicitly recalled by industry in public. In a situation that appears like a reversal of roles – industry interpreting the security environment and government analysing the perspectives of the industry – "Lou Kratz, Chairman of [the National Defense Industrial Association's] Logistics Management Division and a Vice President of Logistics and Sustainment at Lockheed Martin introduced [an industry forum] with an assertive view of American overwhelming force and power projection, facing an immediate insidious threat (i.e. terrorists and insurgents) with a peer competitor (the official euphemism for China) rising over the long run." One of the next speakers was the responsible Assistant Secretary of Defense for Logistics and Materiel Readiness, who sought to reassure industry that its outlook had improved.[941] Government and industry are, after all, both in it together.

[941] Defense Industry Daily, "NDIA Logistics Forum 2013".

Conclusion and Outlook

This thesis sought to establish the big picture that holistically ties together the drivers, politics, processes, and future trajectory of military outsourcing. Corresponding with the three parts and sequences of the policy process according to Policy Network Theory, it therefore set out to answer three research questions: first, why do states outsource military capability overseas? Secondly, how do outsourcing as a practice and industry as actors participate in and affect the defence political process? And thirdly, consequently, what are the ramifications and likely future of military outsourcing? Are we likely to see more of the same, and/or are there sources of change that could lead to a reversal of the trend towards military contractorisation?

The following remarks draw together the findings. In systematising them, the conclusion also argues for their broader validity beyond the two countries examined (the USA and the UK). It then identifies the study's limitations, avenues for future research that emerge out of the study, and in so doing highlights both the study's contribution to the academic literature as well as its relevance beyond academia.

Key Findings

First, this study dissected the strategic underpinning of defence policy that cannot be divorced from outsourcing, especially through its links to technological requirements. It also sensitised us to the high relevance of the place of domestic industry in the national security architecture, highlighted the importance of differentiating military responsibilities, and explored the impact of fundamental budgeting assumptions. Finally, the study established how the politics, process, and implementation of military outsourcing reproduce and reinforce these driving forces,

but also how they may potentially challenge the fundamental operating logics and thus the future of military contracting.

On the Drivers of Military Outsourcing

The study made a series of interconnected findings regarding the drivers of military services contracting in the USA and the UK. The literature had provided diverse views on *why* states outsource various functions that were previously, at least during the Cold War, mostly fulfilled by uniformed soldiers. They mostly focused on political, ideological, economic, technological, and functional drivers of outsourcing which usually comprise the adoption of neoliberalism, the seeking of efficiencies and economies by drawing on industry, the struggling with extracting manpower and other resources from the civilian population, and governments' growing purchases of technologies that are mostly or entirely owned by private industry. While individually all of these factors were found to be relevant, what remained lacking – with the exception of Taylor's brief consideration of this factor –[942] was an appreciation for what turned out to be a fundamental driving force of contracting: defence strategy and posture as potential sources of both outsourcing and insourcing.

Chapters II and III retraced in detail the full causal links between all of the above and found that the expansiveness and durability of grand strategic posture and commitments since the beginning of the Cold War created equally expansive and long-term demands for military capabilities. Digging deeper into official government strategy documents, these chapters found that because both states prioritise technological and operational "full-spectrum dominance", they soon faced a persistent gap between commitments and resources. Full-spectrum dominance required frequent investment into ever more expensive, sophisticated equipment, which in turn required more training for soldiers on how to use and maintain it, and

[942] Taylor, "Contractors on Operations, Equipment Support", pp. 190–191.

generally led to the growth of the logistical 'tail end' of the military force structure for operations and maintenance. Being increasingly researched, developed, produced, and thus intellectually owned by industry, equipment operation and maintenance became a progressively more attractive source of business. In terms of PNT, these factors can be considered to be general, long-term, contextual influences.

The manpower requirements increased further with the global footprint, in the USA especially with the high number of military bases across the world, each of which had to be supplied with these services and equipment. The turn to an all-volunteer force and the concomitant shift of support responsibilities to the Reserves then spelled the beginning of the end of the self-sufficient military as it contained at its core a key assumption of contracting: it is uneconomical to train soldiers for combat but then use them for non-combat tasks. With war-related expenses paid for by contingency budgets due to 'peacetime' assumptions, the reduction of the active military force became increasingly appealing to defence managers.

Having sought to address the gap between resources and commitments – already since the 1960s – with concepts and practices borrowed from the business world, the neoliberal turn in the 1980s fell on relatively fertile, prepared ground. Being constantly reiterated at every subsequent juncture in which budgets clashed with strategic aspirations, the turn towards business practices and contractorisation became standard by the early 2000s. Not least because of the input provided by advisory boards and commissions which more often than not comprise industry, defence by that time had become defined by a "corporate culture".[943] Potential alternatives were gradually marginalised because of a lack of incentives to think beyond these strategic, defence-managerial, and defence-economic parameters. Practically nobody involved in the defence enterprise is incentivised to argue for a more limited defence posture or funding, for less sophisticated military capabilities,

[943] Uttley, *Contractors on Deployed Military Operations*, pp. 29–30.

or lower reliance on industry. In the USA in particular, any course of action that substantially challenges the defence-industrial base faces enormous resistance because of the central place "democracy's arsenal" occupies in the country's security architecture. Defence thus enjoys a high level of 'system integration' that shields it from many of the pressures that other policy domains face, especially welfare spending. The willingness to transfer knowledge, assets, and manpower out of the military and into industry, as well as to become increasingly interdependent with industry follow from the above, and are stronger the more acute the resources-commitment-gap is, and the more central the defence-industrial base is to national security. The end of the Cold War was therefore not the driver of outsourcing that much of the literature made us believe but rather the point in time when decades-long, tentative processes were merely reiterated and fully embraced. The end of the Cold War thus represents the beginning of the end of a process in the course of which far-reaching outsourcing, knowledge and asset transfer, and public-private workforce integration became standard practice.

We can thus observe the interplay between grand strategic posture, defence political commitments, technological demands, and political-economic ideology that drive or constrain the propensity to outsource military capability. Were it not for the global scope of military posture, presence, and force projection, it stands to argue whether the USA and the UK would have ceded control over their military supply systems as comprehensively as they have and when they did. After all, the military was shown to prefer ownership and control over delegation, so that giving up assets and processes was not a path without resistance. It stands to argue that the military only acquiesced because the posture is an accepted fundamental determinant of defence policy, within which defence managers then have to accommodate the demands for technological and operational superiority. The quest for operational and technological superiority should thus also be more relevant than the factors identified

in the literature. Accepting less-than-full spectrum dominance and technological sophistication would have alleviated some of the pressures on the defence economic and managerial systems that eventually led to outsourcing. The combination above thus first made contracting a *preferred* option, especially with the triumph of ideas such as core competency. With interdependence growing between government and industry for technology, manpower, knowhow, and for income, contracting then turned from a preferred to the *primary*, often even the *only* option.

On the Politics, Process, and Implementation of Military Outsourcing

The drivers of military outsourcing represented the backdrop for the subsequent examination of the contemporary defence policy process. They enabled us to identify the mechanisms of admission to the relevant policy networks and their operation. The examination provided extensive details of the day-to-day policy process, decision-making, and a deeper appreciation for how contracting not only operates today, but how this affects the future trajectory of defence (services acquisition) policy and practice.

The debates and practice of military outsourcing are becoming depoliticised as is epitomised for instance by the political motivation behind reducing the uniformed footprint, thereby making operations look smaller than they are. The tensions between strategy, commitments, and demanded technological capabilities are negotiated in non-political or low-political terms,[944] thereby focusing on ostensibly technical, functional, or managerial solutions to problems that could have just as well been viewed as highly political (such as calling up reservists instead of contractors for overseas deployments, or an appraisal of the ostensible need for global military presence and superiority). Even on the higher political levels the debate revolves around ostensibly apolitical, technical problems such as assessing the

[944] This corresponds to some degree to the suggestion put forward by Leander, "Portraits in Practice", p. 9.

financial costs of a contractor source or the efficiency of industry-centred logistics systems. They thus avoid the less palpable cultural and social questions of employees' loyalty, cohesion of the civil service, and civil-military relations that arise out of the introduction of an additional actor into the relationship. Specific examinations of military responsibilities further down the chain of command demonstrated that this is even more pronounced at lower levels for reasons summarised later.

Moreover, the deep internalisation of managerial and 'best business' practices and ideas over several decades and the concomitant adaptation of defence processes strongly circumscribe admission to the policy network. The technical, functionalised nature of the debate translates into a higher valuation of the resources that industry holds exclusively. With knowhow, assets, and manpower being incrementally shifted out further from government into industry, this dynamic becomes stronger, and eventually translates not only into a preferential admission of contractors into the policy network, but also turns their participation in defence-related deliberations into a necessity. Another reinforcing factor is the mounting concern for the industry's health, as growing government dependency on contractors makes it increasingly difficult to replace private providers with indigenous manpower should industry become unable to perform its duties. This concern for the wellbeing is epitomised by the formalised, normalised, and frequent interaction between government and industry in various fora, and the passing of legislation or organisational reform that further mandates close public-private cooperation for the long term.

Collectively, these factors underscore not only the relevance and preferential access to the policy networks granted to industry. They also highlight the huge incentives the private sector has to pursue the constant stream of revenue provided by government, and to coalesce around common interests. The other side of the coin is that there is both little room and incentive for veto-players to emerge and organise that could stand up to the enormous, well-organised, and preferentially treated

defence-industrial base. The military, after all, is not unionised and must voice dissent through the chain of command. The military leadership however was shown to have bought into outsourcing over the past years, not least because of career prospects within and outside the armed forces. The few NGOs in the USA that criticise contracting practice from an oversight and transparency perspective do not have similar stakes in the game as industry, are comparatively hopelessly understaffed and underfunded, and succeed only when acting in concert with public officials and exploiting a sizeable window of opportunity and rare veto-point. By extension this means that in the day-to-day business of policy-making, the few critics who target contracting policy and practice face an infinitely larger effort from industry who can moreover offer campaign donations and benefits from the revolving door. The UK does not even have a single such NGO, meaning that the status quo receives practically no public scrutiny.

The overall bias towards business then faces only negligible challenges in terms of the politics, practice, and actors involved in military services contracting. The US legislature shows little to no interest in fulfilling its oversight functions in day-to-day contracting (which could have worked to increase the emergence and potential clout of critics and veto-players by improving their reputation and funding), while the UK Parliament's prerogatives are almost inexistent in this regard. Neither government communicates with critical actors (epitomised in the skewed access statistics to senior leaderships and advisory boards) or demonstrates substantial introspection that would go beyond the noted fundamental parameters. With veto-players all but out of the picture, the network's substantial selectivity means that gradual internal change from within the policy networks is unlikely. On the higher political levels, the status quo remains intact unless any of the fundamental strategic, economic, or technological drivers of contracting undergo a qualitative shift or

experience a substantial "shock" that would re-set the policy cycle, re-evaluate resources and beliefs, and re-form the incentive structure of the involved actors.

Given their subordination to decisions made on these higher levels, the implementation of specific military responsibilities by contractors therefore generally presents even less of a challenge to the status quo. However, as contracting-out is not an abstract concept that is only discussed on the higher political levels but implemented on lower levels, these examinations were both necessary and fruitful. They demonstrated the pervasiveness of industry throughout the process and across its hierarchy, and underscored the relevance of the different roles of the legislatures in defence acquisition and of the urgency of the resources-commitments-gap for the propensity to outsource. They also provided nuances as to the ideational and practical drivers of contractorisation, and highlighted the future trajectory which emerges out of contracting practice on these lower levels. In each of these domains, while we currently witness a very stable process with a strong selectivity, these examinations nonetheless highlighted where and when change may emerge bottom-up from the inside rather than top-down, as the other findings suggest.

Regarding the role of the legislature, the case of foreign military assistance in particular highlighted that the US Congress's powers in foreign sales, and its generally close involvement in defence authorisations down to the detailed levels of individual line items of bills, makes the Congress a prime target of industry influence. This is exacerbated by the US system of political donations and the spread of the defence industry to virtually every individual electoral district in the country. The UK Parliament, by contrast, has almost no role in shaping the details of policy, certainly not on the level of line items as in the USA. This coupled with an ideational resistance to subsidising the national defence industry in the UK that is absent in the USA – where industry is central to the national security architecture – and the

understanding that it must focus its more limited resources on its own armed forces that have no reserves left to be cut.

As a result, when it comes to most directly benefiting foreign customers and/or the domestic defence industry, the UK government effectively blocks off such demands by pointing to the needs of its own forces; it operates as a quasi-veto player in this instance. The UK does not have significant resources to spare for other militaries, which is why it accepted to downsize its posture and multilateralise its sources of supply beyond the domestic defence industry during the Cold War in the first place. The USA, by contrast, is willing to invest significant resources in support of its prime goal – the expansive global posture – to the benefit of its domestic defence industry in order to remain self-sufficient (i.e. supplied entirely by the domestic industry),[945] and in support of foreign countries to share the burden of its global ambitions, to such an extent that its foreign military assistance policy would have to be severely scaled back if industry were not there to implement it. Foreign military assistance in the USA highlights the reinforcing effect contracting has on the context (drivers) in that it serves the realisation of strategic and defence-economic objectives, which are a key source of contractorisation in the first place, and delays the potential realisation of the non-tenability of defence objectives.

On the Future of Military Outsourcing

The outsourcing of military logistics, while also confirming the drivers and politics of contracting, was shown to be most representative of the future of military services contracting. Military logistics was the earliest and prime target of governments' attempts to harness the efficiencies of the market. It is also the single largest domain experiencing outsourcing, and has historically set the tone for outsourcing more broadly, prepared the ground for contracting out other military

[945] Recall the quote that foreign military assistance is, among others, a "U.S. jobs programme." Personal interview with Lt Col Keith Harrington.

responsibilities, and continues to point out the likely future of militaries' recourse to service contractors. Its examination provided further support to the identified role of the legislature, of who the beneficiary of outsourcing is in determining government's stance towards outsourcing, and the far-reaching consequences of buying into the core-competency model.

The trajectory of logistics outsourcing was summarised as 1) formalisation in policy, law, and doctrine, that led 2) to the integration of the military and industry's capabilities, workforces, and processes, and that 3) is accompanied by the continued transfer of knowledge and assets out of the military into the private sector. First, contractors became a formal component of the total defence workforce, and governments created vehicles for outsourcing such as LOGCAP and CONLOG. However, contractors remained an ostensibly optional add-on that the military may have to draw on in individual circumstances while it was assumed that the military would be broadly capable of fulfilling its missions relatively independently. The growing dependence of both states on support contractors, however, demonstrated that industry – under the stable impression of strategic goals, defence economic principles, and technological demands – had become a necessary component of virtually every war effort. The UK military, being the prime beneficiary of logistics outsourcing was particularly forward-leaning in its efforts to integrate its military and contractor workforces into the Total Support Force, while the USA is developing plans for a similarly networked construct (the Joint Logistics Enterprise). Both are moreover pushing arrangements such as "contracting for capability" and "performance-based logistics" in which assets, knowledge, and work are shifted to industry, often for decades. As was expected, the core of military responsibilities, that had previously contained numerous battlefield logistics functions thus shrinks further as both governments continue to opt for equipment and posture over manpower and in-house knowhow when faced with a trade-off between the two. In

fact, within the US defence enterprise, several agencies are setting up offices or divisions that deal specifically with services contracting, especially in the support area, further supporting the finding that services contracting has become standard procedure and will remain so for the foreseeable future.[946]

Logistics outsourcing, like foreign military assistance, currently does not offer endogenous sources of change. One of the key concerns discussed in chapter VI was the effect logistics contractors have on strategic decision-making. While they may not overtly affect the decisions of whether or not to embark on a foreign political course ("should we"), they were shown to be integral to the essential question of the ability to embark on such a course ("could we"). Even if we were to assume that the two are separate decisions, which is questionable, industry's input into future capabilities ("could we do something in the future") was shown to ultimately work towards reinforcing the strategic posture. By suggesting that certain technological and operational capabilities would be lost if either strategic or budgetary fundamentals were altered, industry's opposition to such realignments – even if phrased in technical or economic terms – may ultimately lead the government to rescind such plans out of concern for defence-industrial health. The fact that the USA has not realigned its posture and requirements even under the harsh economic conditions of the ongoing economic crisis testifies to this fact as much as the UK's hard-fought decision to both downsize its strategic objectives and reduce the depth of several military capabilities –[947] the USA is still not willing to reassess either its global posture or the centrality of its defence industry in its security architecture whereas the UK, for want of economic reserves, has had to do just that.

Moreover, a key concern was the gradual removal of internal dissent, possibly forcibly in the USA, and structurally in both states. The effects of contractorisation on loyalty – a component of the incentive structure for government employees – is

[946] Personal interview with anonymous. Civilian Member of the US Military. London (2014).
[947] Cf. personal interview with Jeff Mason and David Wiggins.

thrown into full relief here. On the one hand, huge contracts such as LOGCAP create incentives for senior officers to be friendly towards contractors so as to facilitate a successful transfer into industry after retirement. When dissenting voices such as those of Mr Smith or Mrs Greenhouse, examined in chapter VI, emerge, it takes little effort by superiors to silence them if they are so inclined. The fact that mostly those responsibilities are outsourced that were held by soldiers who used to complain the loudest, removes the lower-level potential sources of opposition and change, while the incentives for senior leadership to buy into contractorisation in order to succeed in their careers (regardless of whether they eventually wish to walk through the revolving door or not) reduces higher-level internal opposition to contracting. Thus, logistics contracting on no level enables internal calls for change to easily develop and organise, while in the grand scheme of things it is equally concerned with bridging the gap between resources and commitments and thus with realising the ambitious strategic, economic, and technological objectives set by the government. Calling for a reappraisal of either was shown not to be in the interest of those most able to determine the rules of the game.

The Commission on Wartime Contracting is a case in point. After years of negative press about contingency contracting, it could have substantially altered the rules of the game in military contracting. Yet, the commission's final report and the resulting legislation were not only very limited in scope, but more importantly were focused entirely on making contracting better, more effective and efficient. It never suggested either the fundamental scrutiny of the continued viability of contracting specifically or of the more fundamental strategic and defence-economic drivers more generally.[948] The insourcing initiative in the USA was similarly cancelled after only one year; in other words it was not given a realistic chance to succeed (after decades

[948] Cf. Commission on Wartime Contracting in Iraq and Afghanistan (2011), *Transforming Wartime Contracting: Controlling Costs, Reducing Risks*, Final Report to Congress (Arlington, VA) and the cited sections of US Congress, *FY2013 NDAA* in chapter VI.

of outsourcing, one year is quite likely not a sufficient amount of time to assess the feasibility of insourcing and outsourcing). The process in the USA thus appears to be able to fend off criticisms of the status quo and defend and maintain the state's deep reliance on the private sector despite a host of documented problems.

In sum, the politics and process of contracting out military responsibilities contribute to a dynamic that is most likely to lead to "more of the same" in the future, most clearly embodied by the TSF in the UK and JLEnt in the USA that epitomise the tighter integration and eventual blending of public and private workforces. The convergence of public and private interests thereby reaches a new high point.

Systematising, Synthesising, and Generalising the Study's Findings

The above suggests a series of causal links and relationships that historically led to military outsourcing, and that contemporarily cascade down (and up) to affect the politics, process, and future of military services contracting through the various links between them. These findings capture the structure-agency dynamic that ran through this entire examination. On the one hand, the contextual factors represent the structural constraints at the beginning of a given policy cycle. They constrain – but do not necessarily determine, especially if veto-players succeed in affecting the agenda – the valuation of actors' resources, their access to decision-makers, and the composition of policy networks. Networks' composition and operation, in turn, constrain (through selectivity) – but do not determine – policy outcomes. Policy outcomes, finally, usually serve to reproduce the context and confirm the policy, but do not necessarily succeed in doing so. The caveats in the preceding sentences indicate where agency, especially veto-players, comes in and where it becomes an empirical question whether structure is reproduced, slightly reshaped, or substantially unsettled from within or the outside.

In light of the above, it is therefore logical to assume that changes to these structural components – in additional to successful, less predictable agency – could potentially lead to insourcing and a general reorganisation of the supply of armed forces. More generally, the same factors that led to the status quo of comprehensive contractorisation and were found to be likely to continue well into the future in the USA and the UK, could lead to substantially different outcomes altogether elsewhere. The following systematises and synthesises the findings above so as to provide a template for future studies to test empirical evidence against such a framework. It points out the extent to which the future trajectory in the USA and the UK may be unsettled if circumstances change, and suggests how different combinations of these factors may explain outsourcing in other states. These systematised findings are visualised in a chart at the end of the section.

The first and arguably most central cluster identified here links strategy, posture, and technological requirements. The expansiveness and durability of strategic posture and commitments, as well as the breadth and depth (or sophistication) of technological and operational requirements were shown to directly affect equipment and support requirements in both their scope and their depth, and in combination with other factors to drive outsourcing. A higher degree of risk aversion may increase the role of technology in strategic culture and thus outsourcing, as it suggests possibilities to reduce military casualties through hi-tech warfare. Simultaneously, the existence of a more existential, long-term threat may reduce the propensity to outsource in favour of maximising state control over the armed forces. Therefore, the future of military outsourcing in the USA and UK as outlined above could shift to a different trajectory if the deeply held beliefs about posture, commitments, risk aversion, and/or demands for technological and operational superiority change. This is also applicable more generally, as different combinations of strategy, posture, commitments, risk aversion, strategic cultures, and

arts of war should affect the likelihood and future of contracting in different defence-economic, ideational contexts that are summarised next.

The next cluster of factors concerns the defence industry and its relationship to the state and national security. Awarding industry a central place in the national security architecture leads to much more concern for its well-being. Outsourcing then also becomes a practice of supporting a key 'producer' of national security, and invites industry to intimately participate in the policy process to ensure that its concerns are met. Industry can then sometimes become a key beneficiary of acquisition decisions (as was the case in foreign military assistance in the USA), and more generally be the 'winner' when the state has to choose between troops and technology (especially when the state seeks technological dominance). This situation is facilitated if the legislature is susceptible to lobbying (especially when it has a potentially heavy impact on defence spending decisions), and is more acceptable when the state wishes to retain self-sufficiency in supplying its grand strategy from domestic providers.[949] Also important to ask is whether industry is privately owned, whether it conducts research and development (and thus eventually owns the intellectual property rights), and the degree to which a state is comfortable with becoming dependent on industry as opposed to enforcing a level of self-sufficiency and maintaining in-house knowledge even for newly procured systems.

While in the USA all of these apply, almost the opposite is the case in the UK where the incremental reduction of its global posture since the 1950s probably led to the decision to give up self-sufficiency in supplying its defence enterprise and embrace multilateral defence procurement, and where Parliament has very limited influence on the specifics of defence procurement. A reduced dependency on local

[949] This is most pronounced in the numerous examples where Congress, heavily lobbied by industry, forces the military to purchase or maintain platforms it does not want. Particularly prominent in recent years was the decision to retain thousands of M-1 Abrams tanks. See e.g. Richard Lardner (2013), "Army says no to more tanks, but Congress insists," in *Associated Press* (28 April 2013).

suppliers would then lead to a limited willingness to subsidise the domestic defence industry. This, in turn, can be reinforced by an ideational rejection of subsidies, and a more careful consideration of who the ultimate beneficiary is especially when the defence-economic pressures are acute. Changes in this cluster of political—defence-economic relationships could affect the "logic of practicality"[950] in such a way to heavily influence decisions in favour of or opposed to outsourcing.

Budgeting also affects the attractiveness of outsourcing individual functions. On the one hand, there is the belief that outsourcing saves money quite generally. On the other hand, the mechanisms of paying for war are hugely relevant. Are defence budgets "peacetime" budgets, with wars being funded through supplementary budget requests? If so, outsourcing as many non-core functions as possible becomes a more attractive option because it allows creating the appearance of a small, professional, peacetime and peace-oriented defence policy and force, even if war is a constant presence. Simultaneously, the introduction of a distinct war tax, as was historically the norm, may raise the burdens for war more generally and reduce the appeal of outsourcing in two ways; first, by directly linking war tax-spending with industry, raising suspicions of profiteering (rightly or not), and secondly by making the supply of armies in wartime an exceptional procedure rather than a routine that resembles the processes followed in peacetime. This combination of factors is particularly challenged by two potential developments. First, the credibility of basing defence budgets on peacetime assumptions suffers when a state is faced with a permanent, identifiable threat; after all, why plan for peacetime if war is lurking? Secondly, if a cost comparison algorithm was found that severely questions the assumptions about short- and/or long-term efficiencies to be gained from outsourcing, outsourcing may lose one of its basic, foundational supporting arguments.

[950] Cf. Pouliot, "Logic of Practicality", pp. 276–277 and chapter I above.

Ideas were shown to play into several of the above. They also play heavily into the technologisation and depoliticisation of defence political issues, especially when the notion of core competency (which critically affects manpower policies) and other best business practices take hold. Ideational change, however, is very slow; after all it took approximately three to four decades for outsourcing to take root. Yet if it were to happen, it would be hugely influential as it challenges not only individual domains of contractorisation (e.g. logistics or training) but the logic of practicality more broadly. Contractorisation could become a seemingly less practicable policy option, with knock-on effects on the admission to policy networks and decision-making processes as discussed next. Importantly, the ideational level as discussed here goes beyond the split between liberal and republican views on civil-military relations and the economy as Krahmann's masterful study suggested;[951] it also includes beliefs in a state's role in the world (and thus its defence strategy and posture) as well as the deeply held views on strategic culture and the conduct of war (and thus the role and sophistication of military technologies).

The politics, process, and implementation of contractorisation mostly result from the above, and largely serve the realisation of structural demands. And yet, as the sequenced analysis conducted in this thesis underscores, they can both reproduce and challenge these structures. It becomes paramount to ask who the beneficiaries and losers of contractorisation are, and the extent to which they can organise to further support or try to turn back military services contracting. Relating directly to the formal institutional state environment as per Policy Network Theory,[952] we must ask: how centralised and consolidated are the different stakeholders? To what extent can the military, the key target of outsourcing appeal to the legislature or public opinion? And how balanced or unbalanced is therefore the composition of the policy

[951] Cf. Krahmann, *States, Citizens*.
[952] Cf. Adam and Kriesi, "Network Approach", pp. 138–139.

network? This determines to a large extent whether outsourcing will occur or at least how expansive it will be, how formalised it becomes, and what feedback effects reach those who define the fundamental, structural factors that strongly drive outsourcing in the first place.

Organisational and ideational notions are relevant here. Ideas affect the valuation of resources (e.g. business knowhow) which in turn affects the likelihood of gaining access to decision-makers. Similarly important are advisory structures, and the degree of corporatism more generally. Is the state interested in enforcing peak organisations and interest representation that would alleviate any potential imbalance? To what extent can abject failure or public criticism lead to a reappraisal of outsourcing policy and practice? The success of such reappraisals again rests on the ability to unsettle the parameters of the wider system. Germany is an instructive counter-case here to the aforementioned example of the Commission on Wartime Contracting. There was only limited bad press and concern with military outsourcing over the past decade, and yet the German MOD decided to insource a poster child of outsourcing in the country, the "Heeresinstandsetzungslogistik" (military maintenance services), despite the military acknowledging its dependence on logistics contractors.[953] Moreover, within Germany's corporatist structure the military is much more able to act as a veto-player in the German Parliament. The German Parliament is both more critical of an expansion of German defence engagement in general and of outsourcing in particular than its US and UK counterparts,[954] very receptive to the military ombudsman, and thus very keen on fulfilling its prerogatives of overseeing civil-military relations.[955]

[953] The Heeresinstandsetzungslogistik, initially a public-private partnership, was bought in full by the German MOD in 2013, see Heeresinstandsetzungslogistik GmbH, "Startseite," in *HIL GmbH*, accessed 11 April 2014, available at http://www.hilgmbh.de/.

Regarding dependence on logistics contractors, see German Federal Ministry of Defence (2013), "Response to Freedom of Information Request", Copy of the Author, Answer 19.

[954] On public opinion regarding outsourcing in Germany, see Elke Krahmann and Cornelius Friesendorf (2011), *Debatte vertagt? Militär- und Sicherheitsfirmen in deutschen*

It is also within the politics and implementation of contracting that the issue of government's dependency on contractors (if it exists) is most manifest, the interaction between civilians, military, and contractors most routineised, and the potential for individual friction and opposition to contracting most immediate. It is here that support for and opposition to contracting can rise through the ranks or be quelled, as the cases examined in chapter VI demonstrated in detail. How many veto-points exist, and to what extent are potential veto-players included in the implementation of defence policy? What are the incentive structures of government officials? Are there encouragements or discouragements of moving between the public and private sectors? How strong are whistleblower protections and internal oversight? And how closely do the interests of government and industry overlap? Moreover, outsourcing becomes more attractive when the uniformed soldiers have little incentive to perform these tasks themselves, that is when they are not conducive to career progression. It therefore stands to argue, on the one hand, that the ability to laud or criticise outsourcing from within are hugely relevant to both the present and the future of contracting. It is here that industry's ability to claim to enable the state to bridge the gap between commitments and resources that would otherwise have been insurmountable, can most immediately be tested. On the other hand, outsourcing will become less attractive and face more internal opposition if outsourced tasks were

Auslandseinsätzen, HSFK-Report 8/2011 (Frankfurt am Main: Hessische Stiftung Friedens- und Konfliktforschung), pp. 5–8.

The 2013 coalition agreement contained only one, but very critical paragraph about outsourcing. It states that the "outsourcing of military responsibilities" is not an option for Germany. Seeing as the country is already dependent on logistics contractors, the government is generally critical of outsourcing but apparently focuses its critique on armed security contracting. See Government of the Federal Republic of Germany (2013), *Deutschlands Zukunft gestalten: Koalitionsvertrag zwischen CDU, CSU und SPD. 18. Legislaturperiode* ([Berlin]), p. 179.

[955] On the ombudsman as the subsidiary body of parliamentary control over the armed forces see Karl Gleumes (2005), *Der Wehrbeauftragte: Hilfsorgan des Bundestages bei der Ausübung der parlamentarischen Kontrolle*, rev. edn, (Berlin: Deutscher Bundestag Referat Öffentlichkeitsarbeit).

The German case may also highlight the further relevance of culture and ideas as its post-World War II defence policy is marked by a concern of control over all military responsibilities.

recognised as being core competencies again or as being beneficial to career advancement.[956]

These considerations should not be regarded as advocacy in support of insourcing or outsourcing. Innovation currently mostly occurs in the private sector, and it is reasonable to expect that many who criticise private contractors' malfeasance (and rightly so) would probably cringe if the consequence was insourcing into a big state military and compulsory military service. These are, of course, not the only two options, but much of the literature's criticism seems to imply that the solution to what is seen to be excessive contracting would be to revert to idealised old ways when sizeable militaries owned the entire process. The above rather sought to generate an understanding of how the big picture emerges out of the interplay of numerous small puzzle pieces. The debate must thus be about much more fundamental questions such as grand strategy, political economy, the art of war, and many others, rather than only about knock-on effects such as outsourcing. Contractorisation is a consequence of these more fundamental factors, and the noted problems are not necessarily inherent to outsourcing but manageable (for instance by changing revolving door policies). That said, many of the factors above are inter-related, so that a change in one would not necessarily lead to change overall; change in one would not even be likely without developments in several of the other domains. While the factors identified above are of course not comprehensive they nonetheless provide possibly the most complete picture to date of the phenomenon of military services contracting, contain new findings and evidence, and are kept in sufficiently general terms so as to encourage research into other countries to test the findings presented here.

[956] Whether this opposition is successful or not again depends not least on the ability of the military to veto and the incentives at the top of the chain of command.

Thus, while the modelled policy process as per PNT in chapter I explains each of the stages, the following – in a simplified manner – models the systematised relationships as per the analysis above. It illustrates both how the drivers cascade down to enable or constrain outsourcing, as well as how the practice of outsourcing has the ability to affect one or more of the driving and intervening factors by either reinforcing the original assumptions (for instance about the appropriateness of managerialism in public policy-making when outsourcing 'works') or by questioning their viability (for instance the primacy given to technological superiority in the event that industry was unable to provide the demanded levels of sophistication and operational readiness).

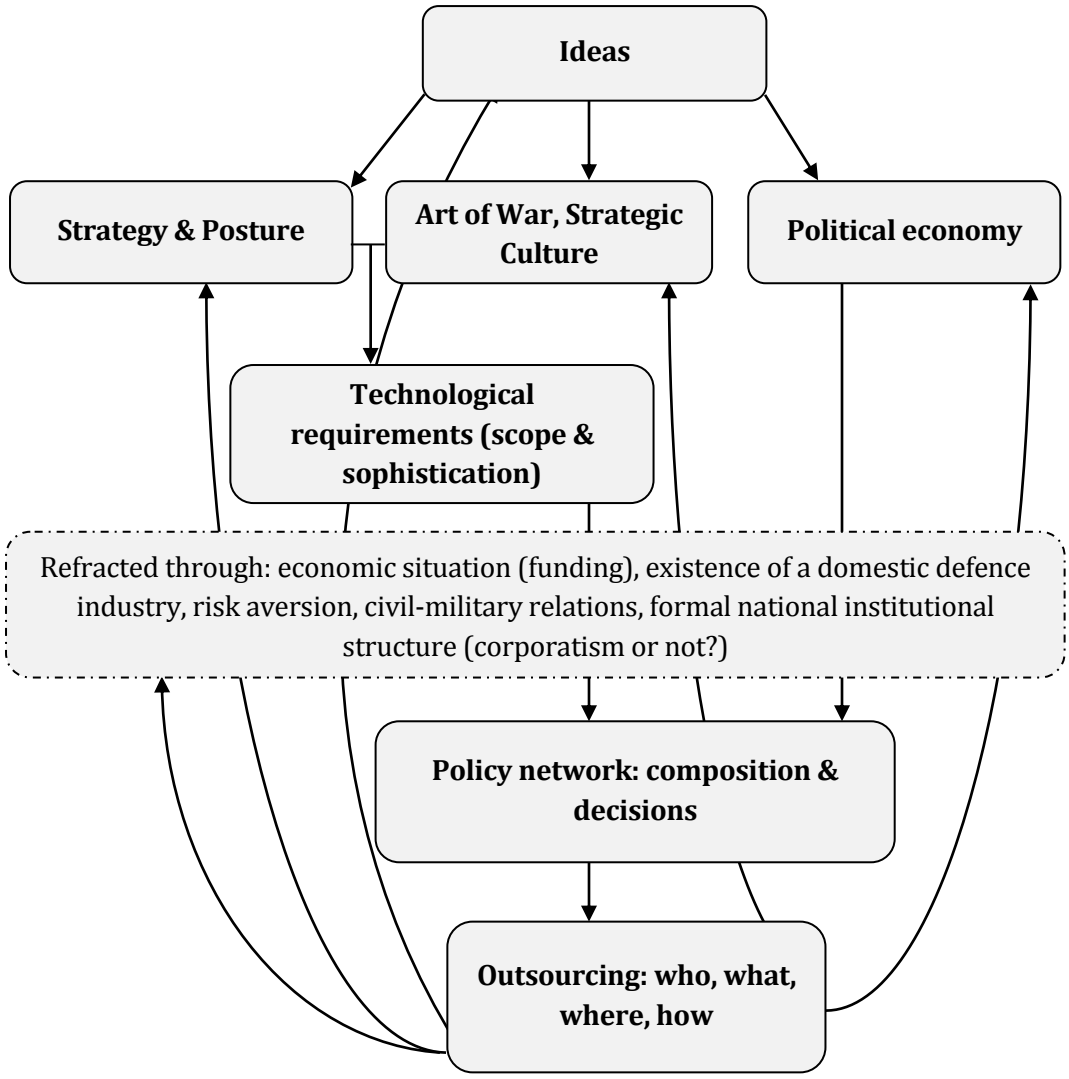

Figure C: The key links between drivers and intervening factors of military outsourcing, policy networks, and the potential feedback effects of outsourcing.

Limitations of this Study, and Recommendations for Future Research

The study deliberately chose the USA and the UK as they were both sufficiently similar so as to enable a high degree of generalisation for similar states, and yet sufficiently different to produce nuanced insights that may apply beyond the two. While the above demonstrated that this choice delivered on its promises, the relative similarity of the cases from which evidence was drawn also represents one of this study's limitations. How applicable are the findings to other, particularly non-western states? How limited are the findings to their specific time and place? In other

words, how transferable are our findings to other contexts at other times? How generally valid are the linkages between the various factors identified in this study?

In systematising the findings into relatively case-independent clusters of variables and categories in the previous section, the study sought to offer a toolbox and a list of variables for future researchers that is relatively universal. It is thus hopefully appropriate to test the validity of the claims made here regarding the USA and the UK specifically, as well as to ascertain their wider applicability to other states. The study thereby suggests new avenues for future research. On the one hand, to go deeper, one could examine other outsourced capabilities in the USA and the UK to determine the relevance and adequacy of the findings and factors above. Moreover, to test the findings directly on decision-makers, researchers with wider access to decision-makers could collect as much data as possible, possibly through surveys, on the foundations of political decision-making and on which future political decisions are thinkable or practicable, as perceived on the inside. Sociologists may opt to examine in more detail a representative sample of biographies from the political, industrial, military, and various other populations that featured in this study to test the assumptions about the valuation of resources, admission to decision-making networks, and career prospects in the wider defence enterprises for those holding certain beliefs and resources. Others in turn may focus on the detailed mechanisms in which the implementation of defence policy by contractors feeds back to reinforce or challenge views on strategy, the art of war, political economy, or others. Through which channels and involving which actors does such feedback 'trickle up'? What determines whether it has an effect on the big picture trajectory?

While such research serves to further deepen the findings arrived at here, for truly general findings future research will have to become broader, to move beyond the confines of the USA, UK, and other fairly similar states,[957] and cumulate

[957] Germany is often examined as a control case next to the USA and the UK, as is France.

knowledge by replicating the present examinations regarding other cases.[958] Given the primacy of context, future research should move beyond those states that share a security environment, are close allies, and that increasingly develop and procure defence items and services together, in order to put these assumptions to a challenging test.[959] Big states such as Russia, China, Brazil, India, and Pakistan would be sufficiently different to test the assumptions arrived at above. They can highlight the adequacy (or the need to further refine our understanding) of the impact of ideas; the security environment and existential nature of threats; the social, economic, and welfare roles of the military (and thus civil-military relations and dealing with manpower issues); and the often very different approaches to defence procurement and the conduct of war. Smaller states such as Jordan, that is attempting to build its own defence industry, or Israel that already has an advanced defence industry could accomplish the same and additionally highlight the relevance of state strength and size.

The theoretical framework applied in this study enables these recommendations for future research to be implemented. Policy Network Theory was shown to be applicable in highly variable contexts and to successfully capture both the structural and agential aspects of the object of study, and the Advocacy Coalition Framework, when drawn upon for heuristic purposes, also provides general analytics that can easily transcend boundaries. The study therefore hopefully does not represent a standalone endeavour but rather the beginning of a new research

[958] This is in line with the method of structured, focused comparison as outlined in chapter I.

[959] Within NATO, for instance, the NATO Support Agency (NSPA) enables contracting-critical countries such as Germany to indirectly outsource supply needs. NSPA provides logistics and maintenance services to allies on operation, which is to a large extent – but not automatically – provided by contractors. Germany, for instance, may thus use industry for support functions in Afghanistan while claiming not to have proactively outsourced.

Cf. NATO, "NSPA - NATO Support agency," accessed 12 April 2014, available at http://www.nspa.nato.int/en/index.htm.

Cf. also footnote 123 regarding the diffusion of military transformation within Europe and NATO, i.e. including the two country cases studied here.

programme into the interlinked phenomena of military services contracting, defence acquisition and policy-making, and international relations and security.

Closing Remarks

Its limitations notwithstanding, this study makes an important contribution to several sets of the academic literature as well as to policy debates. It considerably widens, deepens, and refines our understanding of the drivers, politics, process, effects, and the future of military services contracting. For theorists of defence policy-making, it suggests a new way to frame the topic that is applicable quite independently of time and place. It thereby enables the continuation of this study's research agenda both within and beyond these cases. Moreover, the study conceptually highlighted links and collated them into a systemic perspective of the many components of foreign and defence policy-making. Not only does it hypothesise these linked components, but it also presents ample empirical data in their support. Not only does it appraise existing government and media data on defence strategy and acquisition, but more importantly it generates new data. This takes the form of freedom of information requests that confirm official government policy, and interviews with practitioners that improves our understanding of the 'view from within', which ideas are seemingly taken for granted, and how practitioners operate within the often abstract big picture of strategy, posture, and the political economy. In so doing, the study also contributes to the literature on the domestic and international determinants of policy-making, and highlights their reciprocity.

For academics and practitioners alike, the study moreover provides specific insights into the making and trajectory of defence (services acquisition) policy. It highlights, perhaps most importantly, the strong effects of organisational and institutional structures on the full historical trajectory of a practice such as military

outsourcing from its background through its practice and its effects on the likely future. It thus suggests that both continuity and change in the practice of military outsourcing are most rapidly created by stabilising or destabilising its fundamental driving forces. In other words, if one were to wish for the USA to stop relying on contractors, simply passing a memo that mandates insourcing – as was done in 2009 – is much less likely to do the trick than the successful questioning of the states' demand for self-sufficiency in drawing on the domestic defence-industrial base, its demands for technological superiority, and the ostensible necessity of a global, forward-leaning posture. The same applies to the organisation of the political process, the channels, means, and ways to inform and lobby decision-makers, and the ability of potential veto-players in the process to mitigate the risks of what is here the bias towards business, and more generally is the risk of making policy with input from a limited spectrum of interested actors from either side, avoiding more fundamental scrutiny.

And yet, not least because sudden big change happens rarely, the study also highlighted the possibilities for incremental, endogenous change if such structural change or external shocks remain wanting. While the memo on insourcing may not have led to a reversal in the reliance on contractors, in concert with a sustained attempt to reform force structure policies,[960] the use of government employees for functions that are currently outsourced,[961] and tighter regulations on the minimum and maximum pay of contractors (as was decided by the Obama administration)[962] it may nonetheless collectively and ultimately lead to the reduction of the attractiveness of outsourcing individual functions because of an altered incentive structure. Whether this surges into a trend or not is an empirical issue; the study provides us

[960] Cf. US DOD OUSD(AT&L) and (C), *Continuation of Defense Acquisition Workforce Improvement Initiative*.
[961] Cf. the Civilian Expeditionary Workforce in chapter IV.
[962] See Julie Pace (2014), "Obama Raises Minimum Wage for Contract Workers," in *Associated Press* (12 February 2014) and the stated goal to limit contractor compensation in US Congress, *FY2013 NDAA*, Section 864, paragraph (a).

with the tools and data necessary to understand the drivers, politics, processes, ramifications, and future of military services contracting, both in the big picture of things as well as its many small constituent pieces and processes.

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